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

FORM 10-K

(Mark One)

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

For the fiscal year ended December 31, 2015

OR

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

For the transition period from ____________ to ____________

Commission file number **0-17686**

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

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

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

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

Securities registered pursuant to Section 12(b) of the Act: None

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 [X]

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 [X]

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes [X] No [ ]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [ ]

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

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

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

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.

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PART I

Item 1. Business

Background

The Registrant, 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, 2015, the Partnership had 1,479 limited partners owning an aggregate of 46,280.3 Limited Partnership Interests (the "Interests").

The Partnership is engaged in the business of owning and operating its investment portfolio of commercial real estate properties (each a "Property" and collectively, the "Properties"). At December 31, 2015, the Partnership owned eleven Properties, located in a total of four states. The Properties are leased on a triple net basis primarily to, and operated by, franchisees of national, regional and local fast food, family style, and casual/theme restaurants under long-term leases.

At December 31, 2015 nine of the eleven Properties were (and continue to be) leased to three Wendy's franchisees, with six of the Properties being leased to Wendgusta, LLC ("Wendgusta"), two of the Properties being leased to Wendcharles I, LLC ("Wendcharles I"), and one of the Properties being leased to Wendcharles II, LLC ("Wendcharles II"). Operating base rents from these nine leases comprised approximately 79% of the total 2015 operating base rents. During 2015, additional percentage rents were also generated from these nine Wendy's properties and totaled $546,453. Additionally, the nine Properties exceeded 82% of the Partnership's total Properties, both by historical asset value and number. One of the Wendy's leases will expire in November 2016 and the tenant will vacate the Property, another seven are set to expire in November 2021, with a ninth lease set to expire in November 2026.

See Properties under Item 2 below for the table of all Properties and lease expirations and a discussion of Properties with significant developments.

During the process of leasing the Properties, the Partnership may experience competition from owners and managers of other properties. As a result, in connection with negotiating tenant leases, along with recognizing market conditions, the General Partner may offer rental concessions, or other inducements, which may have an adverse impact on the results of the Partnership's operations. The Partnership is also in competition with sellers of similar properties to locate suitable purchasers for its Properties.

The Partnership will be dissolved on November 30, 2020, or earlier upon the prior occurrence of any of the following events: (a) the disposition of all its Properties; (b) the written determination by the General Partner, that the Partnership's assets may constitute "plan assets" for purposes of ERISA; (c) the agreement of limited partners owning a majority of the outstanding limited partner interests to dissolve the Partnership; or (d) the dissolution, bankruptcy, death, withdrawal, or incapacity of the last remaining General Partner, unless an additional General Partner is elected previously by a majority of the limited partners. During the second and third quarters of the eight odd numbered years from 2001- 2015, consent solicitations were circulated to the Partnership's limited partners, which, if approved by the limited partners, would have authorized the General Partner to initiate the potential sale of all of the Properties and the dissolution of the Partnership(each a "Consent"). Limited partners owning a majority of the Interests did not vote in favor of any of the Consents. Therefore, the Partnership continues to operate as a going concern.

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, 2015, the PMA was renewed by the General Partner for a two-year period ending December 31, 2016. 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 sixty 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, and held its first meeting in November 1993. Among other functions, the three person Advisory Board has the following rights: 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. Members of the Advisory Board are compensated $1,500 annually and $500 for each quarterly meeting attended.

The Advisory Board currently consists of a broker dealer representative, William Arnold; and 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. These reports may also be read and copied at the SEC's Public Reference Room at 100 F Street, NE Washington, DC 20549. Further information about the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330.

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 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

As a smaller reporting company, the Partnership is not required to report risk factors in its annual report on Form 10-K.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

All of the Properties are leased to franchisees of national, regional and local fast food, family style and casual/theme restaurants.

Original lease terms for the Properties are generally five to twenty years from their inception. All leases are triple-net which require the tenant to pay all property operating costs including maintenance, repairs, utilities, property taxes, and insurance. A majority of the leases contain percentage rent provisions, which require the tenant to pay a specified percentage (five percent to eight percent) of gross sales above a threshold amount. None of the Properties are mortgaged. The Partnership owns the buildings and land and all improvements for all the Properties, except for the property leased to the franchisee of a Kentucky Fried Chicken restaurant ("KFC") in Santa Fe, New Mexico. KFC is located on land where the Partnership has entered into a long-term ground lease, as lessee, which is set to expire in 2018. The Partnership has the option to extend the ground lease for two additional ten year periods. The Partnership owns all improvements constructed on the land (including the building and improvements) until the termination of the ground lease, at which time all constructed improvements will become the land owner's property.

The Partnership owned the following Properties as of December 31, 2015:

Acquisition Date	Property Name & Address	Lessee	Purchase Price (1)	Operating Rental Per Annum	Lease Expiration Date	Renewal Options
10/10/88	Kentucky Fried Chicken (5) 1014 S St Francis Dr Santa Fe, NM	Palo Alto, Inc,	$ 451,230	$ 60,000	06-30-2018	None
12/22/88	Wendy's (6) 1721 Sam Rittenburg Blvd Charleston, SC	Wendcharles II, LLC	596,781	76,920	11-6-2021	(2)
12/22/88	Wendy's (7) 3013 Peach Orchard Rd Augusta, GA	Wendgusta, LLC	649,594	86,160	11-6-2021	(3)
02/21/89	Wendy's (7) 1901 Whiskey Rd Aiken, SC	Wendgusta, LLC	776,344	96,780	11-6-2021	(3)
02/21/89	Wendy's (7) 1730 Walton Way Augusta, GA	Wendgusta, LLC	728,813	96,780	11-6-2021	(3)
02/21/89	Wendy's (8) 343 Folly Rd Charleston, SC	Wendcharles I, LLC	528,125	70,200	11-6-2021	(2)
02/21/89	Wendy's (8) 361 Hwy 17 Bypass Mount Pleasant, SC	Wendcharles I, LLC	580,938	55,333	11-6-2026	(3)
03/14/89	Wendy's (7) 1004 Richland Ave Aiken, SC	Wendgusta, LLC	633,750	90,480	11-6-2021	(3)
12/29/89	Wendy's (7) 1717 Martintown Rd N Augusta, SC	Wendgusta, LLC	660,156	87,780	11-6-2021	(3)
12/29/89	Wendy's (7) 3869 Washington Rd Martinez, GA	Wendgusta, LLC	633,750	84,120	11-6-2016	None
05/31/90	Applebee's 2770 Brice Rd Columbus, OH	RMH Franchise Corporation	1,434,434	144,801	10-31-2016	(4)
			$ 7,673,915	$ 947,354		

Footnotes:

(1) Purchase price includes all costs incurred by the Partnership to acquire the property.

(2) The tenant has the option to extend the lease two additional periods of five years each.

(3) The tenant has the option to extend the lease an additional period of five years.

(4) The tenant has the option to extend the lease three additional periods of two years each.

(5) Ownership of lessee's interest is under a ground lease. The tenant is responsible for payment of all rent obligations under the ground lease.

(6) One of the eleven Properties owned as of December 31, 2015 was leased to Wendcharles II. Since more than 82% of the Properties, both by historical asset value and number are leased to Wendy's franchisees the financial status of the tenant may be considered relevant to investors. At the request of the Partnership, Wendcharles II provided it with a copy of its reviewed financial statements for the fiscal years ended December 27, 2015 and December 28, 2014. Those reviewed financial statements are attached to this Annual Report on Form 10-K as Exhibit 99.2.

(7) Six of the eleven Properties owned as of December 31, 2015 were leased to Wendgusta. Since more than 82% of the Properties, both by historical asset value and number, are leased to Wendy's franchisees, the financial status of the tenant may be considered relevant to investors. At the request of the Partnership, Wendgusta provided it with a copy of its reviewed financial statements for the fiscal years ended December 27, 2015 and December 28, 2014. Those reviewed financial statements are attached to this Annual Report on Form 10-K as Exhibit 99.0.

(8) Two of the eleven Properties owned by the Partnership as of December 31, 2015 were leased to Wendcharles I. Since more than 82% of the Properties, both by historical asset value and number, are leased to Wendy's franchisees, the financial status of the tenant may be considered relevant to investors. At the request of the Partnership, Wendcharles I provided it with a copy of its reviewed financial statements for the fiscal years ended December 27, 2015 and December 28, 2014. Those reviewed financial statements are attached to this Annual Report on Form 10-K as Exhibit 99.1.

The following summarizes significant developments, by property, for Properties with such developments.

Vacant Property – 4875 Merle Hay Rd, Des Moines, IA (Formerly Daytona's All-Sports Café "Daytona's")

Daytona's lease expired May 31, 2014 and the tenant vacated the premises on or about the same date. On January 24, 2014, the Partnership sent Daytona's a 30-day Notice of Default for failure to pay its January rent. On February 3, 2014, the Partnership received payment for a portion of Daytona's January rent and real estate tax escrow payment. As of December 31, 2014 Daytona's had not made its monthly rent or real estate tax escrow payments for February, March, April or May 2014. On May 29, 2014, the Partnership filed a motion for default judgment. On September 12, 2014, the Partnership signed a purchase agreement with Sundance, Inc., for the sale of the property at a sale price of $555,000. The Partnership completed the sale of the property on December 22, 2014 with net proceeds of approximately $490,000 paid to the Partnership.

On September 30, 2015, the tenant filed for Chapter 13 bankruptcy protection and as a result, the Partnership abandoned the legal proceedings against the former tenant.

Applebee's - Columbus, OH Property

On October 23, 2014, the tenant, RMH Franchise Corporation, and the Partnership, agreed to the two year extension of Applebee's lease via option exercise, even though the notice given to the landlord by the tenant was not within the terms of the lease agreement. Applebee's lease now expires October 31, 2016 and the rent increased by 2% each year, effective November 1, 2014 and 2015.

Formerly Owned Panda Buffet Restaurant- Grand Forks, ND Property

A sales contract was executed on September 30, 2009 for the installment sale of the Panda Buffet restaurant property ("Panda Buffet") located in Grand Forks, ND to the owner tenant. The Partnership completed the sale of the Panda Buffet property on November 12, 2009 for $450,000. The buyer paid $150,000 at closing with the remaining balance of $300,000 being delivered in the form of a promissory note ("Buyers Note") to the Partnership. The original terms of the Buyers Note included a term of three years, an interest rate of 7.25%, and provided for principal and interest payments to be paid monthly, with principal amortized over a period of ten years beginning December 1, 2009, and a balloon payment due on November 1, 2012. There is no penalty for early payment of principal of the Buyers Note. The Buyers Note also required the buyer to escrow property taxes with the Partnership beginning January of 2010 at $1,050 per month (lowered to $700 beginning January 1, 2012 and increased to $925 beginning January 1, 2013).

Effective November 1, 2012, the Buyers Note was amended, with its principal amount being $200,000 after a principal payment of $32,777, to have the following terms: the principal balance to be amortized over five years at an interest rate of 7.25% per annum with a full balloon payment of $133,396 due November 1, 2014.

Effective November 1, 2014, the Partnership agreed to another two year extension of the Buyers Note as follows: Buyer made a principal payment of $13,396 which reduced the principal balance to $120,000, with the principal being amortized over two years with a monthly payment of approximately $5,386 per month. The Buyers Note is scheduled to mature on November 1, 2016. The property tax escrow cash balance held by the Partnership amounted to $3,931 as December 31, 2015, after the $9,700 payment of the 2014 property taxes in December 2015 and is included in the property tax payable in the condensed balance sheets.

The Buyer's Note amortization schedule provides that the monthly payments are approximately $5,386. The amortized principal payments yet to be received under the Buyer's Note amounted to $57,157 as of December 31, 2015. During the year ended December 31, 2015, twelve payments were received by the Partnership which totaled $58,182 in principal and $6,454 in interest.

Other Property Information

Property taxes, general maintenance, insurance and ground rent on the Properties are the responsibility of the respective tenants. However, when a tenant fails to make the required tax payments or when a property becomes vacant (such as the former Des Moines, IA property, previously operated as Daytona's), the Partnership makes the appropriate property tax payments to avoid possible foreclosure of the property. In a property vacancy the Partnership pays for insurance and maintenance related to the vacant property.

Such taxes, insurance and ground rent are accrued in the period in which the liability is incurred. The Partnership owns one restaurant, which is located on a parcel of land where it has entered into a long-term ground lease, as lessee, which is set to expire in 2018. The Partnership has the option to extend the ground lease for two additional ten year periods. The Partnership owns all improvements constructed on the land (including the building and improvements) until the termination of the ground lease, at which time all constructed improvements will become the land owner's property. The tenant, KFC, is responsible for the $3,400 per month ground lease payment per the terms of its lease with the Partnership.

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 Price and Dividends on the Registrant's Common Equity and Related Stockholder Matters

(a) Although from time to time some Interests have been traded, there is no active public market for the Interests, and it is not anticipated that an active public market for the Interests will develop.

(b) As of March 17, 2016, there were 1,452 record holders of Interests in the Partnership.

(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 on a quarterly basis, 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. During 2015 and 2014, $1,390,000 and $857,000, respectively, were distributed in the aggregate to the limited partners. The General Partner received aggregate distributions of $3,097 and $3,589 in 2015 and 2014, respectively.

(d) The Partnership has no equity compensation plans under which equity securities of the Partnership are reserved for issuance.

Item 6. Selected Financial Data

Not Applicable.

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 management of DiVall Insured Income Properties 2 Limited Partnership (as defined above, the “Partnership”) based on its knowledge and understanding of the business and industry. Words such as “may,” “anticipates,” “expects,” “intends,” “plans,” “believes,” “seeks,” “estimates,” “would,” “could,” “should” and variations of these words and similar expressions are intended to identify forward-looking statements. Although we believe that the expectations reflected in these forward-looking statements are reasonable, we can give no assurance that these expectations will prove to have been correct. These statements are not guarantees of future performance and are subject to risks, uncertainties and other factors, some of which are beyond our control, are difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements.

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

- our expectations regarding financial condition or results of operations in future periods;
- our future sources of, and needs for, liquidity and capital resources;
- our expectations regarding economic and business conditions;
- our business strategies and our ability to grow our business;
- our ability to collect rents on our leases;
- our ability to maintain relationships with our tenants, and when necessary identify new tenants;
- our future capital expenditures;
- our ability to hire and retain key employees and consultants; and
- other risks and uncertainties described from time to time in our filings with the Securities and Exchange Commission (the “SEC”).

Forward-looking statements may ultimately differ materially from the actual results. The Partnership cautions readers not to place undue reliance on forward-looking statements, which reflect management’s view only as of the date of this Form 10-K. All subsequent written and oral forward-looking statements attributable to the Partnership, or persons acting on the Partnership’s behalf, are expressly qualified in their entirety by this cautionary statement. Management undertakes no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes to future operating results. Factors that could cause actual results to differ materially from any forward-looking statements made in this Form 10-K include, without limitation, changes in general economic conditions, changes in real estate conditions, including without limitation, decreases in valuations of real properties, increases in property taxes and lack of buyers should the Partnership want to dispose of a property, lease-up risks, ability of tenants to fulfill their obligations to the Partnership under existing leases, sales levels of tenants whose leases include a percentage rent component, adverse changes to the restaurant market, entrance of competitors to the Partnership’s lessees in markets in which the Properties are located, inability to obtain new tenants upon the expiration of existing leases, the potential need to fund tenant improvements or other capital expenditures out of operating cash flows, our inability to realize value for limited partners upon disposition of the Partnership’s assets, such other factors as discussed in reports we file with 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 consolidated 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 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 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. While the Partnership believes these are the appropriate lives and methods, use of different lives and methods could result in different impacts on net income. Additionally, the value of real estate is typically based on market conditions and property performance. 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 assured. Percentage rents are accrued only when the tenant has reached the sales breakpoint stipulated in the lease.

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

Investment Properties

As of December 31, 2015, the Partnership owned eleven properties (as defined above, the "Properties") each currently containing a fully constructed fast-food or casual restaurant. One Property is located on a parcel of land which is subject to a ground lease (see Item 2 above). The eleven current tenants are franchisees of casual restaurants and as a result the following are operated at the Properties: nine Wendy's restaurants, an Applebee's restaurant, and a KFC restaurant. The Properties are located in a total of four states.

Property taxes, general maintenance, insurance and ground rent on the Properties are the responsibility of the 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 2015 or 2014.

In accordance with Financial Accounting Standards Board ("FASB") guidance for "Accounting for the Impairment or Disposal of Long-Lived Assets", current and historical results from operations for disposed properties and assets classified as held for sale are reclassified separately as discontinued operations. The guidance also requires the adjustment to carrying value of properties due to impairment in an attempt to reflect appropriate market values.

Further Information

A summary of significant developments as of December 31, 2015, 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, 2015 and 2014 were $774,077 and $903,463, respectively. Net income per Interest for the fiscal years ended December 31, 2015 and 2014 were $16.56 and $19.33, respectively.

In 2014, the Partnership has had income from the sale of a property. This sale was the main reason for the fluctuation in total net income year over year. The gain on sale in 2014 was $227,943 related to the property in Des Moines, IA the Partnership previously owned.

Net income for the fiscal years ended December 31, 2015 and 2014 included the results from both operations and discontinued operations. Assets disposed of or deemed to be classified as held for sale require the reclassification of current and previous years' operations to discontinued operations in accordance with GAAP applicable to "Accounting for the Impairment or Disposal of Long Lived Assets". As such, prior year operating results for those properties considered as held for sale or properties no longer considered for sale have been reclassified to conform to the current year presentation without effecting total net income. When properties are considered held for sale, depreciation of the properties is discontinued, and the properties are valued at the lower of the depreciated cost or fair value, less costs to dispose.

Results of Operations

Net income from continuing operations for the fiscal years ended December 31, 2015 and 2014 were $774,144 and $695,052, respectively. See the paragraphs below for further information as to variances in individual operating income and expense items.

Fiscal year ended December 31, 2015 as compared to fiscal year ended December 31, 2014:

Operating Rental Income: Operating rental income for the fiscal years ended December 31, 2015 and 2014 was $1.521 million and $1.469 million, respectively. The rental income was comprised of monthly lease obligations per the tenant leases, percentage rents obligations related to operating tenants who had reached their sales breakpoint, and included adjustments for straight-line rent. The slight increase in 2015 compared to 2014 is due to the continued increase in reported sales for tenants who had reached their sales breakpoint stipulated in their respective leases.

Management expects total base operating rental income to be approximately $960,000 for the year 2016 based on operating leases currently in place. Future operating rental income has the potential to either decrease or increase. Future operating rental income may decrease with a tenant default and/or we may reclassify certain properties as properties held for sale. Future operating rental income may also increase with additional rents due from tenants, if those tenants experience increased sales levels, which require the payment of additional rent to the Partnership. Operating percentage rents included in operating rental income in 2015 and 2014 were $549,289 and $500,746, respectively. Management expects 2016 percentage rents to be slightly lower than 2015 due to the uncertainty of the renewal of the expiring Wendy's lease in November 2016.

Insurance Expense: Insurance expense for the fiscal years ended December 31, 2015 and 2014 was approximately $6,000. Insurance expense was comprised of general liability insurance. Each tenant is responsible for insurance protection and the Partnership only purchases property insurance for an individual property if the tenant cannot provide proof of insurance protection or due to a property vacancy. For 2016, management expects operating insurance expense to again be approximately $6,000. This amount could increase upon a property insurance default or vacancy by a tenant or an increase in the general liability insurance premium for the 2016/2017 insurance year, which is expected to be paid in the fourth quarter of 2016.

General and Administrative Expense: General and administrative expenses for the fiscal years ended December 31, 2015 and 2014 were $67,380 and $95,785, 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, bank fees and state income tax expenses. Total 2014 operating general and administrative expenses were higher than 2015 expenses, primarily due to increased 2013 state and local income tax expenses as a result of the condemnation sale that were paid in 2014. In 2014 the Partnership paid $54,424 in state and local taxes versus $24,193 paid in 2015. Management expects the total 2016 operating general and administrative expenses to be about the same as 2015 expenses.

Professional services: Professional services expenses for the fiscal years ended December 31, 2015 and 2014 were $244,738 and $251,521, respectively. Professional service expenses were primarily comprised of investor relations data processing, investor mailings processing, website design, legal, auditing and tax preparation fees, electronic tax filings, and SEC report conversion and processing fees. The variance in professional services expenses is primarily due to the 2015 Consent solicitation and related SEC filings, and additional electronic state income tax filings in 2015, somewhat offset by lower legal fees. Management anticipates that total 2016 professional services expenses will be lower than 2015 as a result of lower fees expected to be incurred for the preparation and filing of SEC reports as a result of a change in vendors in late 2015.

Note Receivable Interest Income: Note receivable interest income for the fiscal years ended December 31, 2015 and 2014 was $6,454 and $10,599, respectively. The interest income was comprised of interest associated with the Buyer's Note from the Grand Forks, ND property sale in November of 2009. Management expects note receivable interest income to be approximately $2,093 in 2016. See Item 2, Properties, for further information.

Results of Discontinued Operations

In accordance with FASB guidance for "Accounting for the Impairment or Disposal of Long Lived Assets", discontinued operations represent the operations of properties disposed of or classified as held for sale as well as any gain or loss recognized in their disposition. During the fiscal years ended December 31, 2015 and 2014, the Partnership recognized (loss) income from discontinued operations of $(67) and $208,411, respectively. The 2015 and 2014 (loss) income from discontinued operations was attributable to the sale of the vacant Des Moines, IA property. See the components of discontinued operations included in the statements of income for the years ended December 31, 2015 and 2014 in Note 3 Investment Properties and Properties Held for Sale.

Management anticipates that there will be no discontinued operations expenditures in 2016, since no additional properties are expected to be classified as property held for sale.

Cash Flow Analysis

Net cash flows provided by operating activities for the fiscal years ended December 31, 2015 and 2014 were $877,175 and $791,837, respectively.

General administrative expenses decreased from 2014 due to the increased state income taxes due as a result of the Mt. Pleasant, SC condemned land sale in 2013. The Partnership also established a $25,483 allowance for doubtful accounts in 2014, due to the judgment against the former Daytona's tenant. 2014 legal fees were also higher than 2015 due to the tenant default.

Property impairment write-downs, 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 from investing activities for the fiscal years ended December 31, 2015 and 2014 were $58,182 and $528,964, respectively. The 2015 amount was comprised of note receivable principals payments entirely, while the 2014 amount was comprised of $489,558 in net proceeds from the sale of the Des Moines, IA property and $48,152 in note receivable principal payments from the promissory note, offset by a leasing commission payment relating to the Applebee's lease extension.

During 2015, principal payments to be received by the Partnership under the Buyer's Note amortization schedule total $57,157. The Partnership anticipates paying about $9,000 in leasing commissions in 2016 related to the Applebee's option exercise anticipated in the third quarter of 2016.

For the fiscal year ended December 31, 2015, cash flows used in financing activities were $1,393,097 and consisted of aggregate limited partner distributions of $1,390,000 (including $58,182 in promissory note principal payments received), and General Partner distributions of $3,097. For the fiscal year ended December 31, 2014, cash flows used in financing activities were $860,589 and consisted of aggregate limited partner distributions of $857,000 million (including $48,152 in promissory note principal payments received), and General Partner distributions of $3,589. Both limited partner and General Partner distributions have been and will continue to be made in accordance with the Amended Agreement of Limited Partnership of the Partnership. Management anticipates that aggregate limited partner distributions could be approximately $950,000 during 2016.

Liquidity and Capital Resources

The Partnership's cash balance was $246,791 at December 31, 2015. Cash of $120,000, which includes $16,159 from the receipt of principal and interest due under a promissory note held by the Partnership was used to fund the fourth quarter of 2015 aggregate distribution paid to limited partners in February of 2016. Cash of approximately $13,000 is anticipated to be used in 2016 for the payment of quarter-end accrued liabilities, net of property tax cash escrow, which are included in the balance sheets. The remainder represents amounts deemed necessary to allow the Partnership to operate normally.

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

As of December 31, 2015 and 2014, the Properties were leased 100%. In addition, the Partnership collected 100% of its base rent from current operating tenants for the fiscal years ended December 31, 2015 and 2014, which we believe is a good indication of overall tenant quality and stability. There are two leases due to expire within 2016. The lease for the Wendy's located at the Martinez, GA Property expires in November 2016 and there are no options remaining on that lease. On February 16, 2016, Management received notice from tenant that the lease will not be renewed. The Applebee's lease expires at the end of October 2016 and management expects the tenant to exercise a two year option to extend the lease through October 2018. See Item 2, Investment Properties for further information regarding Properties with significant developments.

Nine of the eleven Properties operate as Wendy's fast food restaurants and are franchises of the international Wendy's Company. Operating base rents from the nine Wendy's leases comprised approximately 79% of the total 2015 operating base rents included in operating rental income of the Partnership. As of December 31, 2015, additional 2015 percentage rents totaled $546,453, all of which were unbilled and were accrued in relation to the Properties operated as Wendy's restaurants. Therefore, during 2015, the Partnership generated approximately 86% of its total operating revenues from the nine properties. During 2014, additional 2014 percentage rents totaled $500,746, all of which were unbilled and were accrued in relation to the Wendy's properties. Therefore, during 2014, the Partnership generated approximately 85% of its total operating revenues from those nine Properties. The 2014 percentage rents were both billed and fully collected as of December 31, 2015.

The Partnership's return on its investment historically has been, and is expected to continue to be, derived principally from rental payments received from its lessees. Therefore, the Partnership's return on its investment historically is largely dependent upon the business success of its lessees. The business success of the Partnership's individual lessees can be adversely affected on three general levels. First, the tenants rely heavily on the management contributions of a few key entrepreneurial owners. The business operations of such entrepreneurial tenants can be adversely affected by death, disability or divorce of a key owner, or by such owner's poor business decisions such as an undercapitalized business expansion. Second, changes in a local market area can adversely affect a lessee's business operation. A local economy can suffer a downturn with high unemployment. Socioeconomic neighborhood changes can affect retail demand at specific sites and traffic patterns may change, or stronger competitors may enter a market. These and other local market factors can potentially adversely affect the lessees of the Properties. Finally, despite an individual lessee's solid business plans in a strong local market, the franchise concept itself can suffer reversals or changes in management policy, which in turn can affect the profitability of operations. An overall economic recession is another factor that could affect the relative success of a lessee's business. Therefore, there can be no assurance that any specific lessee will have the ability to pay its rent over the entire term of its lease with the Partnership.

Since the Properties involve restaurant tenants, the restaurant market is the major market segment with a material impact on Partnership operations. The success of customer marketing and the operating effectiveness of the Partnership's lessee's, will impact the Partnership's future operating success in a very competitive restaurant and food service marketplace.

There is no way to determine, with any certainty, which, if any, tenants will succeed or fail in their business operations over the term of their respective leases with the Partnership. Economic volatility, either locally or nationally, may affect a lessee's operational activity and its ability to meet lease obligations. Based on past experience, it can be reasonably anticipated that some lessees will default on future lease payments to the Partnership, which will result in the loss of expected lease income for the Partnership. The General Partner will use its best efforts to vigorously pursue collection of any defaulted amounts and to protect the Partnership's assets and future rental income potential by trying to re-lease any properties with rental defaults. External events, which could impact the Partnership's liquidity, include the entrance of other competitors into the market areas of our tenants; liquidity and working capital needs of the lessees; and failure or withdrawal of any of the national franchises operated by the Partnership's tenants. Each of these events, alone or in combination, would affect the liquidity level of the lessees resulting in possible default by a tenant. Since the information regarding plans for future liquidity and expansion of closely held organizations, which are tenants of the Partnership, tend to be of a private and proprietary nature, anticipation of individual liquidity problems is difficult.

On-going economic volatility has contributed to a continuing difficult credit environment for certain borrowers. Fortunately, the Partnership has limited exposure to the credit markets, as the Partnership has no mortgage debt. The General Partner believes that the Partnership's liquid assets have been deposited with creditworthy financial institutions. However, the economic environment and any lack of available credit could delay or inhibit the General Partner's ability to dispose of any of the Properties, or cause management to feel compelled to dispose of Properties for a lower than anticipated return. As a result, the General Partner continues to maintain an objective to preserve capital and sustain property values while from time to time disposing of certain of the Properties as appropriate.

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

The Partnership intends to hold the Properties until such time as sale or other disposition appears to be advantageous to achieve the Partnership's investment objectives or until it appears that such objectives will not be met. In deciding whether to sell a Property, management considers factors such as potential capital appreciation or depreciation, cash flow and federal income tax considerations, including possible adverse federal income tax consequences to the limited partners. The General Partner may exercise its discretion as to whether and when to sell a property, and there is no obligation to sell any of the properties at any particular time, except upon Partnership termination on November 30, 2020 or if limited partners holding a majority of the limited partnership units vote to liquidate and dissolve the Partnership in response to a formal consent solicitation to liquidate the Partnership.

Inflation

To the extent that tenants can pass through commodity inflation in their sales prices, the Partnership will benefit from additional percentage rent from increased sales. The majority of the Partnership's leases have percentage rental clauses. Revenues from operating percentage rentals represented 36% of operating rental income for the fiscal year ended December 31, 2015, and 33% of operating rental income for the fiscal years ended December 31, 2014. If, however, inflation causes sales to decrease, operating margins to deteriorate for lessees, or if expenses grow faster than revenues, then, inflation may well negatively impact the portfolio through tenant defaults.

Due to the "triple-net" nature of the property leases, asset values generally move inversely with interest rates.

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)

INDEX TO FINANCIAL STATEMENTS AND SCHEDULE

Accountants & Advisors

Report of Independent Registered Public Accounting Firm

To The Partners
Divall Insured Income Properties 2 Limited Partnership

We have audited the accompanying balance sheet of Divall Insured Income Properties 2 Limited Partnership (a Wisconsin limited partnership) as of December 31, 2015 and 2014, and the related statements of income, partners' capital, and cash flows for the years then ended. Our audit also included the financial statement schedule of Divall Insured Income Properties 2 Limited Partnership listed in Item 15(a)(2). These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. The Partnership is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Divall Insured Income Properties 2 Limited Partnership as of December 31, 2015 and 2014 and the results of their operations, and their cash flows for years then ended in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, the related financial statement schedules, when considered in relation to the basic financial statements taken as a whole, present fairly in all material respects the information set forth therein.

RBSM, LLP

RBSM, LLP
Leawood, Kansas
March 25, 2016

Las Vegas, NV Kansas City, MO Houston, TX New York, NY Washington DC
Mumbai, India Athens, Greece San Francisco, CA Beijing, China
Member ANTEA INTERNATIONAL with offices worldwide

DIVALL INSURED INCOME PROPERTIES 2 LIMITED PARTNERSHIP

BALANCE SHEETS

December 31, 2015 and 2014

ASSETS

	December 31, 2015	December 31, 2014
INVESTMENT PROPERTIES: **(Note 3)**		
Land	$ 2,794,122	$ 2,794,122
Buildings	4,468,642	4,468,642
Accumulated depreciation	(3,802,913)	(3,667,557)
Net investment properties	$ 3,459,851	$ 3,595,207
OTHER ASSETS:		
Cash	$ 246,791	$ 704,531
Cash held in Indemnification Trust **(Note 9)**	453,171	452,912
Property tax cash escrow	3,931	2,530
Security deposits escrow	70,617	70,795
Rents and other receivables	549,289	500,746
Deferred tenant award proceeds escrow	126,523	150,657
Prepaid insurance	4,885	7,597
Deferred charges, net	133,014	160,074
Note receivable **(Note 10)**	57,157	115,339
Total other assets	$ 1,645,378	$ 2,165,181
Total assets	$ 5,105,229	$ 5,760,388

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

DIVALL INSURED INCOME PROPERTIES 2 LIMITED PARTNERSHIP

BALANCE SHEETS

December 31, 2015 and 2014

LIABILITIES AND PARTNERS' CAPITAL

		December 31, 2015		December 31, 2014
CURRENT LIABILITIES:				
Accounts payable and accrued expenses	$	13,353	$	27,108
Property tax payable		3,006		1,605
Due to General Partner **(Note 6)**		1,416		3,254
Deferred rent		128,024		149,971
Security deposits		70,440		70,440
Unearned rental income		5,000		5,000
Total current liabilities	$	221,239	$	257,378
CONTINGENCIES AND COMMITMENTS **(Notes 8 and 9)**				
PARTNERS' CAPITAL: **(Notes 1 and 4)**				
General Partner -				
Cumulative net income (retained earnings)	$	350,928	$	343,188
Cumulative cash distributions		(145,692)		(142,595)
	$	205,236	$	200,593
Limited Partners (46,280.3 interests outstanding at December 31, 2015 and December 31, 2014)				
Capital contributions	$	46,280,300	$	46,280,300
Offering Costs		(6,921,832)		(6,921,832)
Cumulative net income (retained earnings)		41,107,783		40,341,446
Cumulative cash distributions		(74,947,268)		(73,557,268)
	$	5,518,983	$	6,142,646
Former General Partner -				
Cumulative net income (retained earnings)	$	707,513	$	707,513
Cumulative cash distributions		(1,547,742)		(1,547,742)
	$	(840,229)	$	(840,229)
Total partners' capital	$	4,883,990	$	5,503,010
Total liabilities and partners' capital	$	5,105,229	$	5,760,388

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

DIVALL INSURED INCOME PROPERTIES 2 LIMITED PARTNERSHIP

STATEMENTS OF INCOME

For the Years Ended December 31, 2015 and 2014

	2015	2014
OPERATING REVENUES:		
Rental income **(Note 5)**	$ 1,520,590	$ 1,469,208
TOTAL OPERATING REVENUES	$ 1,520,590	$ 1,469,208
EXPENSES:		
Partnership management fees **(Note 6)**	266,266	262,086
Insurance	5,862	5,969
General and administrative	67,380	95,785
Advisory Board fees and expenses	10,500	10,500
Professional services	244,738	251,521
Depreciation	135,356	135,356
Amortization	27,060	26,918
TOTAL OPERATING EXPENSES	757,162	788,135
OTHER INCOME		
Other interest income	4,202	3,380
Note receivable interest income **(Note 10)**	6,454	10,599
Other income	60	0
TOTAL OTHER INCOME	10,716	13,979
INCOME FROM CONTINUING OPERATIONS	774,144	695,052
(LOSS) INCOME FROM DISCONTINUED OPERATIONS **(Note 3)**	(67)	208,411
NET INCOME	$ 774,077	$ 903,463
NET INCOME- GENERAL PARTNER	$ 7,740	$ 9,035
NET INCOME- LIMITED PARTNERS	766,337	894,428
	$ 774,077	$ 903,463
PER LIMITED PARTNERSHIP INTEREST,		
Based on 46,280.3 interests outstanding:		
INCOME FROM CONTINUING OPERATIONS	$ 16.56	$ 14.87
INCOME FROM DISCONTINUED OPERATIONS	$ (0.00)	$ 4.46
NET INCOME PER LIMITED PARTNERSHIP INTEREST	$ 16.56	$ 19.33

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

DIVALL INSURED INCOME PROPERTIES 2 LIMITED PARTNERSHIP

STATEMENTS OF PARTNERS' CAPITAL

For the years ended December 31, 2015, 2014 and 2013

	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, 2013	$ 334,153	$ (139,006)	$ 195,147	$39,358,468	$39,447,019	$(72,700,268)	$ (840,229)	$ 5,264,990	$ 5,460,137
Cash Distributions ($18.52 per limited partnership interest)		(3,589)	(3,589)	0		(857,000)		(857,000)	(860,589)
Net Income	9,035		9,035		894,427			894,427	903,462
BALANCE AT DECEMBER 31, 2014	$ 343,188	$ (142,595)	$ 200,593	$39,358,468	$40,341,446	$(73,557,268)	$ (840,229)	$ 5,302,417	$ 5,503,010
Cash Distributions ($30.03 per limited partnership interest)		(3,097)	(3,097)	0		(1,390,000)		(1,390,000)	(1,393,097)
Net Income	7,740		7,740		766,337			766,337	774,077
BALANCE AT DECEMBER 31, 2015	$ 350,928	$ (145,692)	$ 205,236	$39,358,468	$41,107,783	$(74,947,268)	$ (840,229)	$ 4,678,754	$ 4,883,990

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, 2015 and 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 774,077	$ 903,463
Adjustments to reconcile net income to net cash from operating activities -		
Depreciation and amortization	162,416	170,668
Net gain on sale of asset	0	(227,943)
Interest applied to Indemnification Trust account	(259)	(267)
Increase in rents and other receivables	(48,543)	(30,925)
Decrease (Increase) in security deposit escrow	179	(31)
(Increase) Decrease in property tax cash escrow	(1,400)	23,167
Decrease (Increase) in prepaid insurance	2,712	(2,605)
Decrease in deferred rent receivable	0	2,250
Decrease in accounts payable and accrued expenses	(13,755)	(23,871)
Increase (Decrease) in property tax payable	1,400	(24,096)
Decrease in deferred award escrow	2,186	0
(Decrease) Increase in due to General Partner	(1,838)	2,027
Payment of leasing commissions	0	(8,746)
Net cash from operating activities	877,175	783,091
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net proceeds from sale of investment properties	0	489,558
Note receivable, principal payment received	58,182	48,152
Net cash from investing activities	58,182	537,710
CASH FLOWS USED IN FINANCING ACTIVITIES:		
Cash distributions to Limited Partners	(1,390,000)	(857,000)
Cash distributions to General Partner	(3,097)	(3,589)
Net cash used in financing activities	(1,393,097)	(860,589)
NET INCREASE (DECREASE) IN CASH	(457,740)	460,212
CASH AT BEGINNING OF YEAR	704,531	244,319
CASH AT END OF YEAR	$ 246,791	$ 704,531

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

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 limited partnership interests having been sold in that offering, resulting in total proceeds to the Partnership, net of underwriting compensation and other offering costs, of $39,358,468.

The Partnership is currently engaged in the business of owning and operating its investment portfolio of commercial real estate properties (the “Properties”). The Properties are leased on a triple net basis primarily to, and operated by, franchisors or franchisees of national, regional, and local retail chains under primarily long-term leases. The lessees are fast food, family style, and casual/theme restaurants. As of December 31, 2015, the Partnership owned eleven Properties, which are located in a total of four states.

The Partnership will be dissolved on November 30, 2020, or earlier upon the prior occurrence of any of the following events: (a) the disposition of all its Properties; (b) the written determination by the General Partner, that the Partnership’s assets may constitute “plan assets” for purposes of ERISA; (c) the agreement of limited partners owning a majority of the outstanding limited partner interests to dissolve the Partnership; or (d) the dissolution, bankruptcy, death, withdrawal, or incapacity of the last remaining General Partner, unless an additional General Partner is elected previously by a majority of the limited partners. During the second and third quarters of the eight odd numbered years from 2001- 2015, consent solicitations were circulated to the Partnership’s limited partners which, if approved by the limited partners, would have authorized the General Partner to initiate the potential sale of all of the Properties and the dissolution of the Partnership(each a “Consent”). Limited partners owning a majority of the Interests did not vote in favor of any of the Consents. Therefore, the Partnership continues to operate as a going concern.

Significant Accounting Policies

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

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

As of December 31, 2015 and 2014 there were $0 and $25,483 values for allowance for doubtful accounts based on an analysis of specific accounts and historical experience.

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

Depreciation of the Properties 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 are capitalized and amortized over the term of the lease. As of December 31, 2015 and 2014, accumulated amortization amounted to $158,524 and $131,464, respectively. Fully amortized deferred charges of $83,292, including related accumulated amortization, were removed from the condensed balance sheets as of December 31, 2014.

Deferred tenant award proceeds escrow represents the portion of the award proceeds from the sale of the portion of the Mt. Pleasant, South Carolina property that will be paid to the tenant ratably over 99 months beginning August 1, 2013.

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

Financial instruments that potentially subject the Partnership to significant concentrations of credit risk consist primarily of cash investments and leases. As of December 31, 2015, nine of the Partnership's eleven Properties are leased to three significant tenants, Wendgusta, LLC ("Wendgusta"), Wendcharles I, LLC ("Wendcharles I") and Wendcharles II, LLC ("Wendcharles II"), all three of whom are Wendy's restaurant franchisees. The property lease(s) for these three tenants comprised approximately 56%, 15% and 8%, respectively, of the Partnership's total 2015 operating base rents reflected for the fiscal year ended December 31, 2015.

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

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

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

The Partnership periodically reviews its long-lived assets, primarily real estate, for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. The Partnership's review involves comparing current and future operating performance of the assets, the most significant of which is undiscounted operating cash flows, to the carrying value of the assets. Based on this analysis, a provision for possible loss is recognized, if any. There were no adjustments to carrying values for the fiscal years ended December 31, 2015 and 2014.

The Financial Accounting Standards Board ("FASB") guidance on "Fair Value Measurements and Disclosure", defines fair value, establishes a framework for measuring fair value and enhances disclosures about fair value measures required under other accounting pronouncements, but does not change existing guidance as to whether or not an instrument is carried at fair value. The adoption of the provisions of this FASB issuance, with respect to nonrecurring fair value measurements of nonfinancial assets and liabilities, including (but not limited to) the valuation of reporting units for the purpose of assessing goodwill impairment and the valuation of property and equipment when assessing long-lived asset impairment, did not have a material impact on how the Partnership estimated its fair value measurements but did result in increased disclosures about fair value measurements in the Partnership's financial statements as of and for the years ended December 31, 2015 and 2014. See Note 12 for further disclosure.

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

No provision for federal income taxes has been made, as any liability for such taxes would be that of the individual partners rather than the Partnership. At December 31, 2015 the tax basis of the Partnership's assets exceeded the amounts reported in the December 31, 2015 financial statements by approximately $6,793,379.

The following represents an unaudited reconciliation of net income as stated on the Partnership statements of income to net income for tax reporting purposes:

	2015 (Unaudited)	2014 (Unaudited)
Net income, per statements of income	$ 774,077	$ 903,463
Book to tax depreciation difference	(42,718)	(56,003)
Tax over (under) Book gain from asset disposition	0	(32,548)
Straight line rent adjustment	0	2,250
Penalties	0	0
Prepaid rent	(21,947)	(21,947)
Bad Debts	(25,483)	25,483
Other expense/deduction items with differences	0	(3,836)
Net income for tax reporting purposes	$ 683,929	$ 816,862

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 by U.S. and state taxing authorities for the years ended after December 31, 2012.

In May 2011, the FASB issued ASU No. 2011-04, Fair Value Measurement Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in GAAP and IFRSs (ASU No. 2011-04"). ASU No. 2011-04 updates and further clarifies requirements in U.S. GAAP for measuring fair value and for disclosing information about fair value measurements. Additionally, ASU No. 2011-04 clarifies the FASB's intent about the application of existing fair value measurements. ASU No. 2011-04 is effective for interim and annual periods beginning after December 15, 2011 and is applied prospectively.

2. REGULATORY INVESTIGATION:

A preliminary investigation during 1992 by the Office of Commissioner of Securities for the State of Wisconsin and the Securities and Exchange Commission (the "Investigation") revealed that during at least the four years ended December 31, 1992, the former general partners of the Partnership, Gary J. DiVall ("DiVall") and Paul E. Magnuson ("Magnuson"), had transferred substantial cash assets of the Partnership and two affiliated publicly registered limited partnerships, DiVall Insured Income Fund Limited Partnership ("DiVall 1"), which was dissolved December of 1998, and DiVall Income Properties 3 Limited Partnership ("DiVall 3"), which was dissolved December of 2003, (collectively, the "three original partnerships") to various other entities previously sponsored by or otherwise affiliated with DiVall and Magnuson. The unauthorized transfers were in violation of the respective Partnership Agreements and resulted, in part, from material weaknesses in the internal control system of the three original partnerships.

Subsequent to discovery, and in response to the regulatory inquiries, The Provo Group (as previously defined, "TPG") was appointed Permanent Manager (effective February 8, 1993) to assume responsibility for daily operations and assets of the Partnerships as well as to develop and execute a plan of restoration for the three original partnerships. Effective May 26, 1993, the limited partners, by written consent of a majority of limited partnership interests, elected TPG as General Partner. TPG terminated the former general partners by accepting their tendered resignations.

In 1993, the General Partner estimated an aggregate recovery of $3 million for the three original partnerships. At that time, an allowance was established against amounts due from former general partners and their affiliates reflecting the estimated $3 million receivable. This net receivable was allocated among the three original partnerships based on their pro rata share of the total misappropriation, and restoration costs and recoveries have been allocated based on the same percentage. Through December 31, 2015, approximately $5,918,000 of recoveries have been received which exceeded the original estimate of $3 million. As a result, from January 1, 1996 through December 31, 2015, the Partnership has recognized a total of approximately $1,229,000 as recovery of amounts previously written off in the statements of income, which represents its share of the excess recovery. The General Partner continues to pursue recoveries of the misappropriated funds; however, no further significant recoveries are anticipated.

3. INVESTMENT PROPERTIES AND PROPERTY HELD FOR SALE:

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

As of December 31, 2015, the Partnership owned eleven Properties that contained fully constructed fast-food/casual dining restaurant facilities. The following are operated by tenants at the Properties :nine separate Wendy's restaurants, an Applebee's restaurant, and a KFC restaurant. The eleven Properties are located in a total of four states.

A summary of significant developments as of December 31, 2015, by property, for properties with such developments, can be found in Item 2, Properties.

Discontinued Operations

During the fiscal years ended December 31, 2015 and 2014, the Partnership recognized (loss) income from discontinued operations of ($67) and $208,411, respectively. The 2015 and 2014 (loss) income from discontinued operations was attributable to the sale of the vacant Des Moines, IA property in 2014.

The components of discontinued operations included in the statements of income for the years ended December 31, 2015 and 2014 are outlined below:

	December 31, 2015	December 31, 2014
Revenues		
Rental Income	$ 0	$ 27,750
Other Income	0	0
Total Revenues	$ 0	$ 27,750
Expenses		
Insurance	0	328
Bad Debt Expense	0	25,482
Professional services	0	0
Property tax expense	0	12,770
Maintenance expense	0	306
Property impairment write-up	0	0
Depreciation	0	7,653
Amortization	0	743
Other expenses	67	0
Total Expenses (Income)	$ 67	$ 47,282
Net (Loss) Income from Rental Operations	$ (67)	$ (19,532)
Net Gain on Sale of Properties	0	227,943
Net Income from Discontinued Operations	$ (67)	$ 208,411

4. PARTNERSHIP AGREEMENT:

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

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

5. LEASES:

Original lease terms for the majority of the Properties were generally five to twenty years from their inception. The leases generally provide for minimum rents and additional rents based upon percentages of gross sales in excess of specified breakpoints. The lessee is responsible for occupancy costs such as maintenance, insurance, real estate taxes, and utilities. Accordingly, these amounts are not reflected in the statements of income except in circumstances where, in 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.

As of December 31, 2015, the aggregate minimum operating lease payments to be received under the current operating leases for the Partnership's Properties are as follows:

Year ending December 31,		
	2016	914,607
	2017	720,433
	2018	690,433
	2019	660,433
	2020	660,433
Thereafter		947,983
		$ 4,594,322

6. TRANSACTIONS WITH GENERAL PARTNER AND ITS AFFILIATES:

Pursuant to the terms of the Permanent Manager Agreement (the "PMA") executed in 1993 and renewed for an additional two year term as of January 1, 2015, 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, 2015, the minimum annual Base Fee and the maximum Expense reimbursement increased by 1.62% from the prior year, which represents the allowable annual Consumer Price Index adjustment per the PMA. Therefore, as of March 1, 2015, the minimum monthly Base Fee paid by the Partnership was raised to $22,248 and the maximum monthly Expense reimbursement was increased to $1,795.

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. To date, TPG has received fees from the Partnership totaling $59,729. The fees received from the Partnership on the amounts recovered reduce the four percent minimum fee by that same amount.

Amounts paid and/or accrued to the General Partner and its affiliates for the years ended December 31, 2015 and 2014, are as follows:

		Incurred for the Year ended December 31, 2015		Incurred for the Year ended December 31, 2014
General Partner				
Management fees	$	266,266	$	262,086
Overhead allowance		21,482		21,142
Outsourced XBRL Fees		1,088		2,513
Leasing commissions		0		8,746
Reimbursement for out-of-pocket expenses		2,500		4,123
Cash distribution		3,097		3,589
	$	294,433	$	302,199

At December 31, 2015 and 2014, $1,416 and $3,254, respectively, were the distributions payable to the General Partner.

As of December 31, 2015, TPG Finance Corp. owned 200 Interests of the Partnership. The President of the General Partner, Bruce A. Provo, is also the President of TPG Finance Corp., but he is not a shareholder of TPG Finance Corp.

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

As of December 31, 2015, Advisory Board Member, Jesse Small, owns beneficially greater than ten percent of the Partnership's outstanding limited partnership interests. Amounts paid to Mr. Small for the fiscal years ended December 31, 2015 and 2014 are as follows:

		December 31, 2015		December 31, 2014
Advisory Board Fees paid	$	3,500	$	3,500
	$	3,500	$	3,500

At December 31, 2015 and 2014, there were no outstanding Advisory Board fees accrued and payable to Jesse Small.

8. CONTINGENT LIABILITIES:

According to the Partnership Agreement, as amended, TPG, as General Partner, may receive a disposition fee not to exceed three percent of the contract price on the sale of the three original Partnerships' properties (See Note 2 for further information as to the original 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 Partnerships were made whole. In lieu of a disposition fee escrow, the 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 Partnerships recorded the recoveries as income (See Note 2). After the recovery level of $4,500,000 was exceeded, fifty percent of the total disposition fee amount paid to the Partnerships recovery through the restoration account (in lieu of the disposition fee escrow) was refunded to TPG during March 1996. The remaining fifty percent amount allocated to the Partnership through the restoration account, and which was previously reflected as Partnership recovery income, may be owed to TPG if the $6,000,000 recovery level is met. As of December 31, 2015, the Partnership may owe TPG $16,296 if the $6,000,000 recovery level is achieved. TPG does not expect any future refund, as it is uncertain that such a $6,000,000 recovery level will be achieved.

9. PMA INDEMNIFICATION TRUST:

The PMA provides that TPG will be indemnified from any claims or expenses arising out of or relating to TPG serving in such capacity or as substitute general partner, so long as such claims do not arise from fraudulent or criminal misconduct by TPG. The PMA provides that the Partnership fund this indemnification obligation by establishing a reserve of up to $250,000 of Partnership assets which would not be subject to the claims of the Partnership's creditors. An Indemnification Trust ("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, $203,171 of earnings has been credited to the Trust as of December 31, 2015. 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.

10. NOTE RECEIVABLE:

A sales contract was executed on September 30, 2009 for the installment sale of the Panda Buffet restaurant property ("Panda Buffet") located in Grand Forks, ND to the owner tenant. The Partnership completed the sale of the Panda Buffet property on November 12, 2009 for $450,000. The buyer paid $150,000 at closing with the remaining balance of $300,000 being delivered in the form of a promissory note ("Buyers Note") to the Partnership. The original terms of the Buyers Note included a term of three years, an interest rate of 7.25%, and provided for principal and interest payments to be paid monthly, with principal amortized over a period of ten years beginning December 1, 2009, and a balloon payment due on November 1, 2012. There is no penalty for early payment of principal of the Buyers Note. The Buyers Note also required the buyer to escrow property taxes with the Partnership beginning January of 2010 at $1,050 per month (lowered to $700 beginning January 1, 2012 and increased to $925 beginning January 1, 2013).

Effective November 1, 2012, the Buyers Note was amended, with its principal amount being $200,000 after a principal payment of $32,777, to have the following terms: the principal balance to be amortized over five years at an interest rate of 7.25% per annum with a full balloon payment of $133,396 due November 1, 2014.

Effective November 1, 2014, the Partnership agreed to another two year extension of the Buyers Note as follows: Buyer made a principal payment of $13,396 which reduced the principal balance to $120,000, with the principal being amortized over two years with a monthly payment of approximately $5,386 per month. The Buyers Note is scheduled to mature on November 1, 2016. The property tax escrow cash balance held by the Partnership amounted to $3,931 as December 31, 2015, after the $9,700 payment of the 2014 property taxes in December 2015 and is included in the property tax payable in the condensed balance sheets.

The Buyer's Note amortization schedule provides that the monthly payments are approximately $5,386. The amortized principal payments yet to be received under the Buyer's Note amounted to $57,157 as of December 31, 2015. During the year ended December 31, 2015, twelve payments were received by the Partnership which totaled $58,182 in principal and $6,454 in interest.

11. FAIR VALUE DISCLOSURES

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

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

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

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

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

The Partnership assesses the levels of the Investments at each measurement date, and transfers between levels are recognized on the actual date of the event or change in circumstances that caused the transfer in accordance with the Partnership's accounting policy regarding the recognition of transfers between levels of the fair value hierarchy. For the years ended December 31, 2015 and 2014, there were no such transfers.

12. SUBSEQUENT EVENTS

On February 16, 2016, the Partnership made a distribution to the Limited Partners of $120,000 in the aggregate, which amounted to $2.59 per limited partnership interest.

On February 16, 2016, the Partnership received a Notice of Lease Surrender in connection with the lease of the Martinez, GA property. The tenant will not be renewing the lease when it expires on November 6, 2016. The tenant will cease doing business and vacate the premises prior to that date.

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

On December 2, 2014, the Partnership dismissed McGladrey LLP ("McGladrey") as the Partnership's independent registered public accountants. During the fiscal years ended December 31, 2012 and December 31, 2013 and through McGladrey's dismissal on December 2, 2014, there were (i) no disagreements with McGladrey on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedures, which disagreements, if not resolved to the satisfaction of McGladrey would have caused McGladrey to make reference to the subject matter of the disagreements in connection with its reports, and (ii) no events of the type listed in paragraphs (A) through (D) of Item 304(a)(1)(v) of Regulation S-K.

Item 9A. Control and Procedures

Controls and Procedures

As of December 31, 2015, the Partnership's management, including the persons performing the functions of principal executive officer and principal financial officer, have concluded that the Partnership's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) as of the end of the period covered by this report were effective based on the evaluation of these controls and procedures as required by paragraph (b) of Rule 13a-15 or Rule 15d-15 under the Securities Exchange Act of 1934, as amended.

Management's Report on Internal Control over Financial Reporting

The Partnership's management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) and 15d- 15(f) under the Securities Exchange Act of 1934, as amended). The Partnership's management assessed the effectiveness of the internal control over financial reporting as of December 31, 2015. In making this assessment, the Partnership's management used the criteria set forth in the original Framework issued in 2013, by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control-Integrated Framework. The Partnership's management has concluded that, as of December 31, 2015, the internal control over financial reporting is effective based on these criteria. Further, there were no changes in the Partnership's controls over financial reporting during the three months ended December 31, 2015, that have materially affected, or are reasonably likely to materially affect, the Partnership's internal control over financial reporting.

The Partnership's management does not expect that the disclosure controls and procedures or the internal controls will prevent all error and misstatements. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected.

This Form 10-K does not include an attestation report of the Partnership's registered public accounting firm regarding internal control over financial reporting. As a non-accelerated filer, management's report was not subject to attestation by the Partnership's registered public accounting firm pursuant to rules in the Dodd Frank Act that permit the Partnership to provide only management's report in this Annual Report.

Item 9B. Other Information

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 at 1100 Main Street, Suite 1830, Kansas City, Missouri 64105. 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 Permanent Manager Agreement as amended (as defined above "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 65 - 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.

William Arnold - Investment Broker. Mr. Arnold works as a financial planner, real estate broker, and investment advisor at his company, Arnold & Company. Mr. Arnold graduated with a Master's Degree from the University of Wisconsin and is a Certified Financial Planner. Mr. Arnold is a part of the brokerage community and the Partnership believes that as an Advisory Board member, he generally represents the views of the brokerage community.

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.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires the officers and directors of TPG, and persons who own 10% or more of the Interests, to report their beneficial ownership of such Interests to the SEC. Their initial reports are required to be filed using the SEC's Form 3, and they are required to report subsequent purchases, sales, and other changes using the SEC's Form 4, which must be filed within two business days of most transactions. Officers, directors, and persons owning more than 10% of the Interests are required by SEC regulations to furnish the Partnership with copies of all of reports they file pursuant to Section 16(a).

As of December 31, 2015, Jesse Small was a beneficial owner of more than 10% of the outstanding Partnership Interests. Four Forms 4, which in total reported eight transactions effected during 2015 were filed late by Mr. Small in 2015.

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 6 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 17, 2016. Based on information known to the Partnership and filed 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 (3) 401 NW 10th Terrace Hallandale, FL33009	7,268.54(2)	15.71%
Limited Partnership Interest	Ira Gaines 7000 N 16th St Suite 120 #503 Phoenix, AZ 85020	2,874.13(4)	6.21%

(1) Based on 46,280.3 Limited Partnership Interests outstanding as of March 17, 2016.

(2) Based on Form 4s filed with the SEC in February of 2016.

(3) Jesse Small may be deemed to beneficially own such voting and investment power over the Interests listed in the table above.

(4) Includes 1,743.60 units Mr. Gaines has a direct ownership in through a trust, and also includes 1,130.53 units which Mr. Gaines has an indirect ownership interest in and which he may be deemed to beneficially own under SEC Rule 13d-3.

(b) As of December 31, 2015, the General Partner did not own any Interests. Below is the beneficial ownership of the person that preforms the functions of the principal executive of the General Partner.

Title of Class	Name of Beneficial Owner(1)	Amount and Nature of Beneficial Ownership	Percentage of Interests Outstanding(4)
Limited Partnership Interest	Bruce A. Provo	(2) 200(3)	0.43%

(1) A beneficial owner of a security includes a person who, directly or indirectly, has or shares voting or investment power with respect to such security. Voting power is the power to vote or direct the voting of the security and investment power is the power to dispose or direct the disposition of the security.

(2) Bruce A. Provo is deemed to have beneficial ownership of all of TPG Finance Corp.'s Limited Partnership interests in the Partnership due to his control as President of TPG Finance Corp.

(3) Bruce A. Provo may be deemed to beneficially own with the Interests listed above due to such voting and investment power.

(4) Based on 46,280.3 Interests outstanding as of December 31, 2015.

(c) Management knows of no contractual arrangements, the operation or the terms of which may at a subsequent date result in a change in 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, 2015, the minimum annual Base Fee and the maximum Expense reimbursement increased by 1.62% from the prior year, which represents the allowable annual Consumer Price Index adjustment per the PMA. Therefore, as of March 1, 2015, the minimum monthly Base Fee paid by the Partnership was raised to $22,248 and the maximum monthly Expense reimbursement was raised to $1,795.

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 8 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, 2016. 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. Arnold, Small and Kramer are "independent".

The Partnership paid and/or accrued the following to the General Partner and its affiliates in 2015 and 2014:

	Incurred for the Year ended December 31, 2015	Incurred for the Year ended December 31, 2014
Management fees	$ 266,266	$ 262,086
Overhead allowance	21,482	21,142
Outsourced XBRL Fees	1,088	2,513
Leasing commissions	0	8,746
Direct Cost Reimbursement	2,500	4,123
Cash Distributions	3,097	3,589
	$ 294,433	$ 302,199

Item 14. Principal Accountant Firm Fees and Services

Through December 2, 2014 McGladrey LLP ("McGladrey") served as the Partnership's independent registered public accountants. Fees charged to the Partnership by McGladrey during 2014 are set forth below. RBSM, LLP now serves as the Partnership's independent registered public accountants.

Audit Fees

Aggregate billings during the year 2015, for audit and interim review services provided by the Partnership's principal accounting firm, RBSM, LLP to the Partnership, amounted to $47,400. Aggregate billings during the years 2015 and 2014 for audit and interim review services provided by the Partnership's former principal accounting firm, McGladrey to the Partnership, amounted to $1,500 and $44,900, respectively.

Audit-Related Fees

For the years ended December 31, 2015 and 2014, neither McGladrey nor RBSM, LLP performed any assurance and related services that were reasonably related to the performance of the audit or interim reviews.

Tax Fees

Tax compliance services billed during 2015 and 2014 were $27,150 and $28,500, respectively, provided by McGladrey.

All Other Fees

For the years ended December 31, 2015 and 2014, neither McGladrey nor RBSM, LLP performed 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

Independent Auditors' Report

Balance Sheets, December 31, 2015 and 2014

Statements of Income for the Years Ended December 31, 2015 and 2014

Statements of Partners' Capital for the Years Ended December 31, 2015, 2014, and 2013

Statements of Cash Flows for the Years Ended December 31, 2015 and 2014

Notes to Financial Statements

2. Financial Statement Schedule

Schedule III – Investment Properties and Accumulated Depreciation, December 31, 2015

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 Certificate of Limited Partnership dated November 20, 1987. Commission File 0-17686, filed March 22, 2013, and incorporated herein by reference.

10.0 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.

10.1 Release dated as of July 19, 2013, filed as Exhibit 99.1 to the Current Report on Form 8-K, filed July 24, 2013, and incorporated herein by reference.

10.2 Amendment to Lease dated as of July 19, 2013, filed as Exhibit 99.2 to the Current Report on Form 8-K, filed July 24, 2013, and incorporated herein by reference.

16.1 Letter from McGladrey, LLP to the U.S. Securities and Exchange Commission dated December 5, 2014, filed as Exhibit 16.1 to the Current Report on Form 8-K filed December 5, 2014, and incorporated herein by reference.

16.2 Letter from L.L. Bradford & Company, LLC to the U.S. Securities and Exchange Commission dated February 5, 2015, filed as Exhibit 16.1 to the Current Report on Form 8-K/A filed February 6, 2015, and incorporated herein by reference.

31.1 Sarbanes Oxley Section 302 Certifications.

31.2 Sarbanes Oxley Section 302 Certifications.

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

99.0 Reviewed Financial Statements of Wendgusta, LLC for the fiscal years ended December 27, 2015 and December 28, 2014 prepared by Vrona & Van Schuyler, CPAs, PLLC.

99.1 Reviewed Financial Statements of Wendcharles I, LLC for the fiscal years ended December 27, 2015 and December 28, 2014 prepared by Vrona &Van Schuyler, CPAs, PLLC.

99.2 Reviewed Financial Statements of Wendcharles II, LLC for the fiscal years ended December 27, 2015 and December 28, 2014 prepared by Vrona &Van Schuyler, CPAs, PLLC.

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, 2015 and December 31, 2014, (ii) Statements of Income for the years ended December 31, 2015 and 2014, (iii) Statement of Cash Flows for the years ended December 31, 2015 and 2014, and (v) Notes to the Condensed Financial Statements.

DIVALL INSURED INCOME PROPERTIES 2 LIMITED PARTNERSHIP
SCHEDULE III – INVESTMENT PROPERTIES AND ACCUMULATED DEPRECIATION
DECEMBER 31, 2015

		Initial Cost to Partnership			Gross Amount at which Carried at End of Year						Life on which Depreciation
Property	Encumbrances	Land	Building and Improvements	Costs Capitalized Subsequent to Acquisitions	Land	Building and Improvements	Total	Accumulated Depreciation	Date of Construction	Date Acquired	in latest statement of operations is computed (years)
Santa Fe, NM	-	-	451,230	-	-	451,230	451,230	389,585	-	10/10/1988	31.5
Augusta, GA (1)	-	215,416	434,178	-	213,226	434,177	647,403	375,907	-	12/22/1988	31.5
Charleston, SC	-	273,619	323,162	-	273,619	323,162	596,781	279,790	-	12/22/1988	31.5
Aiken, SC	-	402,549	373,795	-	402,549	373,795	776,344	322,598	-	2/21/1989	31.5
Augusta, GA	-	332,154	396,659	-	332,154	396,659	728,813	342,331	-	2/21/1989	31.5
Mt. Pleasant, SC	-	286,060	294,878	-	252,069	294,878	546,947	254,490	-	2/21/1989	31.5
Charleston, SC	-	273,625	254,500	-	273,625	254,500	528,125	219,642	-	2/21/1989	31.5
Aiken, SC	-	178,521	455,229	-	178,521	455,229	633,750	392,878	-	3/14/1989	31.5
North Augusta, SC	-	250,859	409,297	-	250,859	409,297	660,156	340,618	-	12/29/1989	31.5
Martinez, GA	-	266,175	367,575	-	266,175	367,575	633,750	305,897	-	12/29/1989	31.5
Columbus, OH	-	351,325	708,141	-	351,325	708,140	1,059,465	579,177	-	6/1/1990	31.5
	$ 0	$2,830,303	$ 4,468,644	$ 0	$2,794,122	$ 4,468,642	$7,262,764	$ 3,802,913			

(1) In the Fourth Quarter of 2001, a portion of the land was purchased from the Partnership by the County Commission for utility and maintenance easement.

DIVALL INSURED INCOME PROPERTIES 2 LIMITED PARTNERSHIP

SCHEDULE III – INVESTMENT PROPERTIES AND ACCUMULATED DEPRECIATION

DECEMBER 31, 2015

(B) Reconciliation of "Investment Properties and Accumulated Depreciation":

Investment Properties	Year Ended December 31, 2015	Year Ended December 31, 2014
Balance at beginning of year	$ 7,262,765	$ 7,984,817
Additions:		
Deletions:		
Vacant- Des Moines, IA property sold (4)	0	(722,052)
Balance at end of year	$ 7,262,765	$ 7,262,765

Accumulated Depreciation	Year Ended December 31, 2015	Year Ended December 31, 2014
Balance at beginning of year	$ 3,667,557	$ 3,984,986
Additions charged to costs and expenses	135,356	143,008
Vacant- Des Moines, IA property sold (4)	0	(460,437)
Balance at end of year	$ 3,802,913	$ 3,667,557

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 of the registrant)

By: */s/ Lynette L. DeRose*
Chief Financial Officer of the Partnership
(principal financial officer and principal accounting 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: March 25, 2016

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: March 25, 2016

Exhibit 31.1

DIVALL INSURED INCOME PROPERTIES 2
LIMITED PARTNERSHIP

CERTIFICATIONS

I, Lynette L. DeRose, 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: March 25, 2016

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

Exhibit 31.2

DIVALL INSURED INCOME PROPERTIES 2
LIMITED PARTNERSHIP

CERTIFICATIONS

I, Bruce A. Provo, certify that:

1. I have reviewed this 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: March 25, 2016

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

Exhibit 32.1

**DIVALL INSURED INCOME PROPERTIES 2
LIMITED PARTNERSHIP**

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

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned principal executive officer and principal financial officer of Divall Insured Income Properties 2 Limited Partnership (the "Company") certify that the Annual Report on Form 10-K of the Company for the period ended December 31, 2015 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: March 25, 2016

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

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

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

VRONA & VAN SCHUYLER CPAs, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

WENDGUSTA, LLC

FINANCIAL STATEMENTS - INCOME TAX BASIS

DECEMBER 27, 2015 and DECEMBER 28, 2014

VRONA & VAN SCHUYLER CPAs, PLLC
CERTIFIED PUBLIC ACCOUNTANTS
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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Members
Wendgusta, LLC
27 Central Avenue
Cortland, New York

We have reviewed the accompanying statements of assets, liabilities and members' capital-income tax basis of Wendgusta, LLC as of December 27, 2015 and December 28, 2014 and the related statements of revenues and expenses-income tax basis, changes in members' capital-income tax basis and cash flows-income tax basis for the years then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the income tax basis of accounting and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the reviews in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with the income tax basis of accounting, as described in Note 1.

Vrona & Van Schuyler CPAs, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

January 29, 2016

Wendgusta, LLC
Statements of Assets, Liabilities and Members' Capital-Income Tax Basis
December 27, 2015 and December 28, 2014

ASSETS

	2015	2014
Current assets:		
Cash - (Note 1J)	$1,280,712	$1,093,441
Inventories - (Note 1C)	80,043	63,635
Prepaid expenses and other current assets	83,179	83,400
Total current assets	1,443,934	1,240,476
Property and equipment, net of accumulated depreciation - (Notes 1D and 2)	976,308	999,112
Other assets:		
Goodwill, net of accumulated amortization of $3,375,418 in 2015 and $2,978,310 in 2014- (Note 1E)	2,581,209	2,978,317
Loan cost, net of accumulated amortization of $27,448 in 2015 and $17,155 in 2014 - (Note 1G)	75,479	85,772
Tech fees, net of accumulated amortization of $1,816 in 2015 and $1,064 in 2014	13,184	13,936
Deposits	16,666	16,769
Total other assets	2,686,538	3,094,794
TOTAL ASSETS	$5,106,780	$5,334,382

LIABILITIES AND MEMBERS' CAPITAL

	2015	2014
Current liabilities:		
Current maturities of long-term debt - (Note 3)	$ 444,738	$ 427,323
Accounts payable, accrued expenses and taxes payable	1,126,303	1,046,442
Total current liabilities	1,571,041	1,473,765
Long-term liabilities:		
Long-term debt, less current maturities - (Note 3)	3,254,482	3,697,813
Total liabilities	4,825,523	5,171,578
Commitments and contingencies - (Notes 3,4,5, 6 and 7)	-	-
Members' capital - (Notes 1A, 5, 6B and 6C)	281,257	162,804
TOTAL LIABILITIES AND MEMBERS' CAPITAL	$5,106,780	$5,334,382

See independent accountants' review report and notes to the financial statements.

Wendgusta, LLC
Statements of Revenues and Expenses-Income Tax Basis
For the Years Ended December 27, 2015 and December 28, 2014

	2015	2014
Sales - net	$15,259,792	$15,034,878
Cost of sales - net	4,636,876	4,543,928
Gross profit	10,622,916	10,490,950
Labor expenses	4,429,048	4,398,638
Store operating and occupancy expenses	2,626,474	2,657,628
General and administrative expenses	749,650	684,742
Advertising expenses - (Note 4A)	730,408	715,549
Royalty expense - (Note 4A)	610,392	601,395
Depreciation and amortization - (Notes 1D, 1E, 1F and 1G)	761,293	745,530
Interest expense - (Note 3)	105,272	112,752
Total operating expenses	10,012,537	9,916,234
Operating income (loss)	610,379	574,716
Gain/(loss)on sale/(disposal)of assets	(28,348)	(10,064)
Other income	43,022	45,889
Excess(deficiency) of revenues over expenses - (Note 1H)	$ 625,053	$ 610,541

See independent accountants' review report and notes to the financial statements.

Wendgusta, LLC
Statements of Changes in Members' Capital - Income Tax Basis
For the Years Ended December 27, 2015 and December 28, 2014

Members' Capital, December 29, 2013	$ 75,973
Excess of revenues over expense for the year ended December 28, 2014	610,541
Distributions paid to members	(523,710)
Purchase of member's interest	0
Members' Capital, December 28, 2014	162,804
Excess of revenues over expense for the year ended December 27, 2015	625,053
Distributions paid to members	(484,600)
Purchase of member's interest	(22,000)
Members' Capital, December 27, 2015	$ 281,257

Wendgusta, LLC
Statements of Cash Flows-Income Tax Basis
For the Years Ended December 27, 2015 and December 28, 2014

	2015	2014
Cash flows from operating activities:		
Excess(deficiency)of revenues over expenses	$ 625,053	$ 610,541
Adjustments to reconcile to net cash provided by operating activities:		
Depreciation and amortization	761,293	745,530
(Gain)/loss on(sale)/disposal of assets	28,348	10,064
Increase (decrease) in cash attributed to changes in assets and liabilities:		
Decrease (increase) in inventories	(16,408)	10,946
Decrease (increase) in prepaid expenses and other current assets	221	45,146
Increase (decrease) in accounts payable, accrued expenses and taxes	79,853	(30,897)
Total adjustments	853,307	780,789
Net cash provided by operating activities	1,478,360	1,391,330
Cash flows from investing activities:		
Capital expenditures, tangible and intangible assets	(358,677)	(380,205)
Security deposits received (paid)	104	438
Net cash used in investing activities	(358,573)	(379,767)
Cash flows from financing activities:		
Repayments of note payable	(425,916)	(409,248)
Members' distributions	(484,600)	(523,710)
Purchase of member's interest	(22,000)	0
Net cash provided by(used in)financing activities	(932,516)	(932,958)
Net increase (decrease) in cash	187,271	78,605
Cash, beginning of year	1,093,441	1,014,836
Cash, end of year	$ 1,280,712	$ 1,093,441
Supplemental Information:		
Interest paid during the year	$ 107,873	$ 112,806

See independent accountants' review report and notes to the financial statements.

Wendgusta, LLC
Notes to the Financial Statements
December 27, 2015 and December 28, 2014

Note 1 - Summary of Significant Accounting Policies

(A) The Company:

Wendgusta, LLC was formed on May 16, 2007 pursuant to the Georgia Limited Liability Company Act to acquire, own and operate eleven existing Wendy's Old Fashioned Hamburger Restaurants in Augusta and Martinez, Georgia and Aiken and North Augusta, South Carolina. The restaurants were acquired from one seller for an aggregate purchase price of $7,650,000, plus various adjustments in the net aggregate amount of approximately $50,000. The Company recorded goodwill in the amount of approximately $6,527,000. The purchase price was financed principally by a $7,250,000 equipment loan from General Electric Capital Corporation, ("GECC") with the balance provided by capital contributions of the members. The acquisition closed on July 2, 2007. (See Note 3).

In October 2007 the Company closed the Dean Bridge Road restaurant.

The Company currently operates ten restaurants, all of which are leased. (See Note 4B).

The Company is to continue in perpetuity, except it is to be dissolved as a result of the sale of all business operations or the sale of all or substantially all of its assets, in each of such cases upon the receipt of the consideration therefor in cash or the reduction to cash of non-cash consideration, or upon the occurrence of certain events as set forth in the operating agreement. (See Note 5B).

(B) Income Tax Basis of Accounting:

The Company is treated as a partnership for federal, Georgia and South Carolina income tax purposes. The accompanying financial statements have been prepared on the basis of accounting used to prepare the Company's federal partnership return. Such other comprehensive basis of accounting differs in certain respects from generally accepted accounting principles. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in accordance with generally accepted accounting principles.

(C) Inventories:

Inventories represent food and supplies and are stated at cost.

(D) Property, Equipment and Depreciation:

Property and equipment are stated at cost. Depreciation is provided by application of the straight-line and declining balance methods over depreciable lives as follows:

Leasehold improvements	15 to 39 years
Restaurant and office equipment	5 to 7 years
Automobile	5 years
Land improvements	15 years

Wendgusta, LLC
Notes to the Financial Statements
December 27, 2015 and December 28, 2014

Note 1 - Summary of Significant Accounting Policies - (Continued):

(D) Property, Equipment and Depreciation - continued:

If it had qualifying property placed in service during the year, the Company has taken additional depreciation deductions in accordance with the federal government's enactment of the Economic Stimulus Act of 2008, amended by the American Recovery and Reinvestment Act of 2009, the Small Business Jobs Act of 2010, and the Tax Relief, Unemployment Insurance Reauthorization and Job Creation Act of 2010.

(E) Goodwill:

Goodwill, representing the excess of the purchase price over the fair value of the assets acquired, is amortized over fifteen years.

(F) Organizational and Start-Up Costs:

The Company capitalized the costs incurred in the formation of the company. These costs are amortized over 5 years.

(G) Loan Cost:

The Company capitalized the costs incurred in obtaining the acquisition debt. These costs are amortized over 9 years. (See Note 3).

(H) Income Taxes:

The Company was organized as a Limited Liability Company under the laws of Georgia and is not subject to any federal or state income tax. For federal, Georgia and South Carolina income tax purposes, the Company is treated as a partnership. Accordingly, each member is required to report on his federal and applicable state income tax return his distributive share of all items of income, gain, loss, deduction, credit and tax preference of the Company for any taxable year, whether or not any cash distribution has been or will be made to such member.

The Company's tax returns are subject to examination by the Federal and State taxing authorities. The tax rules and regulations governing these returns are complex, technical and subject to varying interpretations. If an examination required the Company to make adjustments, the profit or loss allocated to the members would be adjusted accordingly. Management believes the Company is no longer subject to tax examinations for the years prior to 2012.

Although income tax rules are used to determine the timing of the reporting revenues and expenses, non-taxable revenues and non-deductible expenses are included in the determination of net income in the accompanying financial statements.

(I) Fiscal Year:

The Company's annual accounting period is a fiscal year ending on the last Sunday of December.

Wendgusta, LLC
Notes to the Financial Statements
December 27, 2015 and December 28, 2014

Note 1 - Summary of Significant Accounting Policies - (Continued):

(J) Cash:

The Company maintains its cash in various banks. The accounts at each bank are guaranteed by the Federal Deposit Insurance Corporation, to a maximum of $250,000. At any time during the year, the cash balance may exceed $250,000.

(K) Use of Estimates:

The preparation of financial statements in conformity with the income tax accrual basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

(L) Advertising:

The Company expenses all advertising costs when incurred.

(M) Sales Tax:

The Company collects sales tax and remits to the states of Georgia and South Carolina. The liability is reflected in taxes payable on the balance sheet.

Note 2 - Property and Equipment

Property and equipment consist of the following:

	2015	2014
Restaurant and office equipment	$2,225,084	$2,126,854
Automobile	13,413	13,413
Leasehold improvements	1,643,461	1,629,768
Land improvements	165,113	133,885
Total	4,047,071	3,903,920
Less: Accumulated depreciation	3,070,763	2,904,808
Property and equipment, net	$ 976,308	$ 999,112

Note 3 - Acquisition Debt

At the time of the acquisition closing, the Company borrowed $7,250,000 from GECC. The loan maturity date was August 1, 2016 and was payable in monthly installments assuming a 13.5 year amortization period with a balloon payment due at maturity. In December 2009 the Company made an additional principal payment of $491,190 reducing the amount owed to $6,000,000 and restructured the terms of the loan. The loan bore interest at a rate of LIBOR plus 4.5% and was payable in monthly installments based upon a 12.5 year amortization with a balloon payment of approximately $2,050,919 plus interest due on January 1, 2019. The loan was repaid in April 2013.

On April 19, 2013 the Company refinanced the GECC loan with a new note from Wells Fargo for $4,800,000. Repayment terms are monthly principal payments of $33,202 plus interest at 2.417% with a balloon payment of approximately $2,638,000 due April 3, 2018.

See independent accountants' review report.

Note 3 - Acquisition Debt - (Continued):

The future annual principal payments are as follows:

2016	$ 444,738
2017	461,336
2018	2,793,146
	$3,699,220

Note 4 - Commitments and Contingencies

(A) Franchise Agreement Commitments:

The Company is the franchisee for the ten Wendy's restaurants it owns and operates. The franchise agreements obligate the Company to pay to Wendy's International a monthly royalty equal to 4% of the gross sales of each restaurant, or $250, whichever is greater. The Company must also pay to Wendy's National Advertising Program 3.5% of the gross sales and spend not less than .5% of the gross sales of each restaurant for local and regional advertising.

(B) Minimum Operating Lease Commitments:

The lease for the restaurant located at 517 Martintown Road in North Augusta expires on November 6, 2021. The annual rent is $87,780. In addition the Company is required to pay percentage rent equal to 7% of gross sales in excess of $746,181.

The lease for the restaurant located at 1730 Walton Way in Augusta expires on November 6, 2021. The annual rent is $96,780. In addition the Company is required to pay percentage rent equal to 7% of gross sales in excess of $768,937.

The lease for the restaurant located at 2738 Washington Road in Augusta had a primary term that expired on October 31, 2004. The current term expires on October 31, 2019 and includes one remaining five-year renewal options. The annual rent is $71,573 for all terms of the lease. In addition the Company is required to pay percentage rent equal to 5% of gross sales in excess of $900,000.

The lease for the restaurant located at 1004 Richland Avenue in Aiken expires on November 6, 2021. The annual rent is $90,480. In addition the Company is required to pay percentage rent equal to 7% of gross sales in excess of $752,048.

The lease for the restaurant located at 3342 Wrightsboro Road in Augusta had a primary term that expired on October 31, 2004. The current term expires on October 31, 2019 and includes one remaining five-year renewal option. The annual rent is $68,581 for all terms of the lease. In addition the Company is required to pay percentage rent equal to 5% of gross sales in excess of $687,458.

Wendgusta, LLC
Notes to the Financial Statements
December 27, 2015 and December 28, 2014

Note 4 - Commitments and Contingencies - (Continued):

(B) Minimum Operating Lease Commitments - continued:

The lease for the restaurant located at 3859 Washington Road in Martinez expires on November 6, 2016. The annual rent is $84,120. In addition the Company is required to pay percentage rent equal to 7% of gross sales in excess of $860,000.

The lease for the restaurant located at 3013 Peach Orchard Road in Augusta expires on November 6, 2021. The annual rent is $86,160. In addition the Company is required to pay percentage rent equal to 7% of gross sales in excess of $744,784.

The lease for the restaurant located at 1901 Whiskey Road in Aiken expires on November 6, 2021. The annual rent is $96,780. In addition the Company is required to pay percentage rent equal to 7% of gross sales in excess of $960,000.

The lease for the restaurant located at 449 Walton Way in Augusta had a primary term that expired on February 28, 2003. The current term expires on February 28, 2018. The annual rent is $96,600 for all terms of the lease. In addition the Company is required to pay percentage rent equal to 6% of gross sales less base rent.

The lease for the restaurant located at 430 South Belair Road in Augusta has a primary term that expires on November 30, 2025 and includes two five-year renewal options. The annual rent is $161,535 through November 30, 2016. At that time and on each one year anniversary thereafter, annual rent will be increased by the previous year's annual rent multiplied by 1.5%.

The leases are all net leases and require the Company to pay real estate taxes, insurance, maintenance and other property expenses.

Rent expense was $1,324,292 in 2015 and $1,308,230 in 2014 including percentage rent of $386,091 in 2015 and $372,384 in 2014.

Future annual minimum rentals are as follows:

2016	$ 927,973
2017	858,897
2018	780,859
2019	743,900
2020	629,642
Thereafter	1,271,376
	$ 5,212,647

Note 4 - Commitments and Contingencies - (Continued):

(C) Financial and Operational Advisory Services Agreement:

At the closing, the Company entered into a financial and operational advisory services agreement with its two managing members and another individual. The agreement provides for these three individuals to: (I) consult with and advise the Company on applicable financial and/or operational matters; and (ii) if required by the Company's debt, lease or franchise agreements, to which they are signatories, to remain ready, willing and able to maintain such status for the benefit of the Company, except where such guarantees are not needed; and (iii) remain able to provide such additional personal guarantees as, within their sole discretion, may reasonably be necessary to maintain the business of the Company. The initial term ended December 31, 2010 and is automatically renewable annually thereafter, as long as the Company remains in business. The agreement also provides for the reimbursement of reasonable expenses incurred by the individuals in fulfilling their duties. Fees paid pursuant to this agreement aggregated $84,000 in 2015 and $84,000 in 2014. (See Note 6A).

Note 5 - Capitalization and Operating Agreement

(A) Capitalization:

The Company's initial capitalization consisted of 800 units, of which 24 and 21 were sold to two managing members at $25 per unit, or $1,125 in the aggregate, and 80 units were sold to the third managing member at $125 per unit, or $10,000 in the aggregate. Of the remaining 675 units, 192 were sold at $25 per unit, or $4,800 in the aggregate, and 483 units were sold at per unit contributions of $4,500 totaling $2,173,500. All contributions totaled $2,189,425. (See Note 5B).

In 2009 the Company required each member to contribute $1,000 per unit of membership interest as an additional capital contribution. The proceeds were used in part to reduce the loan to GECC. (See Notes 3 and 6B).

(B) Operating Agreement:

All purchasers of membership interests are parties to the Company's operating agreement which provides for the capitalization and operation of the Company, distributions to members and transfers of interests. Members' consents representing 75% of all membership interests are required for the following actions: Change in the operating agreement; voluntary dissolution; sale or exchange of substantially all assets; merger or consolidation; incurrence of debt or refinancing other than in the ordinary course of business or in connection with entering new or unrelated businesses; and removal of a manager, for cause. Members are not required to make up negative capital accounts. Distributions either from cash flow generated by operations or capital transactions (as defined) other than capital contributions are made at the sole discretion of the managers, Note 5 - Capitalization and Operating Agreement - (Continued):

(B) Operating Agreement - continued:

acting unanimously. Managers are elected by the members. Outside liens against membership interests are prohibited. For permitted transfers of membership interests, book value is equal to assets less liabilities using the income tax method/accrual basis of accounting.

Members wishing to sell their interests shall submit their request in writing, together with appropriate documentation setting forth the terms of such sale, to the managing members, who within thirty days and at their sole discretion, shall approve or disapprove of such sale. If not approved, the managing members within fourteen additional days may elect to have the Company purchase the offered units at the stated terms. Such action by the managing members is to be by simple majority. If the managing members determine that the offered interests are not to be redeemed by the Company, then the interests shall be offered to the remaining members of the Company, pro-rata at the same offered terms, who will have 14 additional days to purchase the offered shares. If the interests are not purchased by the members, then they may be sold to the third-party purchaser at the offered terms. Membership interests may also be transferred to family members or trusts or by reason of death or incompetence.

In the event of a termination of a member's interest by death, retirement, resignation, expulsion, bankruptcy, incompetence, or in the case of a member that is not a natural person - dissolution, the Company must be dissolved unless it is continued by the consent of all the remaining members. Non-consenting members are deemed to offer and authorized representatives or trustees of deceased or bankrupt members may offer the applicable membership interest, first to the Company, and then to the consenting (continuing) members. In such case, the offered interests must be purchased by either the Company or one or more of the consenting members. Such purchases, unless made by the Company, are to be made pro-rata to the existing interests of purchasing members, unless they agree otherwise or there is only one purchasing member.

In any event, all offered interests of non-consenting members or by the estate, trustee, etc. of deceased or bankrupt members, etc. must be purchased by the Company or one or more consenting members or the Company must be dissolved and liquidated.

Note 6 - Related Party Transactions

(A) Financial and Operating Advisory Service Fees:

The Company paid two of its three managing members and a third individual a total of $84,000 in 2015 and $84,000 in 2014 pursuant to a financial and operational advisory services agreement. (See Note 4C).

Note 6 - Related Party Transactions - (Continued):

(B) Additional Capital Contributions:

During 2009 additional capital contributions of $1,000 per unit of membership interest were received by the Company for a total of $796,000.

(C) Other:

In July 2008 the Company redeemed one member's .25% membership interest for $2,000.

In March 2009 the Company redeemed one member's .13% membership interest for $2,000.

In October 2009 the Company redeemed one member's .13% membership interest for $3,600.

In 2010 the Company redeemed four members' 2.62% combined membership interest for an aggregate price of $103,000.

In 2012 the Company redeemed four members' 5.93% combined membership for an aggregate price of $89,700.

In April 2015 the Company redeemed one member's .53% membership interest for $22,000.

Note 7 - Pension Plan

The Company maintains a qualified cash or deferred compensation plan under section 401(K)of the Internal Revenue Code for all full-time employees meeting certain service requirements. Under the plan, employees may elect to defer up to (15%) of their salary, subject to Internal Revenue Service limits. A discretionary matching contribution may be made by the Company and added to each participant's account. Company contributions for the plan amounted to $2,669 for 2015 and $2,797 for 2014.

Note 8 - Subsequent Events
Subsequent events have been evaluated through the date the financial statements were issued, as reflected on the independent accountants' review report.

VRONA & VAN SCHUYLER CPAs, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

WENDCHARLES I, LLC

FINANCIAL STATEMENTS - INCOME TAX BASIS

DECEMBER 27, 2015 AND DECEMBER 28, 2014

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Members
Wendcharles I, LLC
27 Central Avenue
Cortland, New York

We have reviewed the accompanying statements of assets, liabilities and members' capital-income tax basis of Wendcharles I, LLC as of December 27, 2015 and December 28, 2014 and the related statements of revenues and expenses-income tax basis, changes in members' capital-income tax basis and cash flows-income tax basis for years then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the income tax basis of accounting and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the reviews in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with the income tax basis of accounting, as described in Note 1.

Vrona & Van Schuyler CPAs, PLLC

CERTIFIED PUBLIC ACCOUNTANTS

January 29, 2016

Wendcharles I, LLC
Statements of Assets, Liabilities and Members' Capital-Income Tax Basis
December 27, 2015 and December 28, 2014

ASSETS

Current assets:	2015	2014
Cash (Note 1I)	$ 865,250	$ 511,413
Inventories - (Note 1C)	64,769	51,886
Prepaid expenses and other current assets	6,414	8,477
Total current assets	936,433	571,776
Property and equipment - (Notes 1D and 2)	560,957	618,737
Other assets:		
Goodwill, net of accumulated amortization of $491,576 in 2015 and $491,576 in 2014 - (Note 1E)	983,163	1,060,780
Deposits	11,190	11,190
Total other assets	994,353	1,071,970
TOTAL ASSETS	$2,491,743	$2,262,483

LIABILITIES AND MEMBERS' CAPITAL

Current liabilities:		
Current maturities of long-term debt - (Note 3)	$ 64,925	$ 61,380
Accounts payable, accrued expenses and taxes payable	758,509	756,278
Total current liabilities	823,434	817,658
Long-term liabilities:		
Deferred rent credit	8,417	9,417
Long-term debt, less current maturities - (Note 3)	145,873	210,798
Total Long-term liabilities	154,290	220,215
TOTAL LIABILITIES	977,724	1,037,873
Commitments and contingencies - (Notes 3, 4, 5 and 7)	-	-
Members' capital - (Notes 1A, 5 and 6B)	1,514,019	1,224,610
TOTAL LIABILITIES AND MEMBERS' CAPITAL	$2,491,743	$2,262,483

See independent accountants' review report and notes to the financial statements.

VRONA & VAN SCHUYLER CPAs, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

Wendcharles I, LLC
Statements of Revenues and Expenses-Income Tax Basis
For the Years Ended December 27, 2015 and December 28, 2014

	2015	2014
Sales - net	$10,870,897	10,885,339
Cost of sales - net	3,166,937	3,175,353
Gross profit	7,703,960	7,709,986
Labor expenses	3,246,489	3,524,879
Store operating and occupancy expenses	1,976,089	2,160,267
General and administrative expenses	702,124	610,516
Advertising expenses - (Note 4A)	546,318	585,323
Royalty expense - (Note 4A)	434,836	435,414
Depreciation and amortization - (Notes 1D, 1E, and 1F)	210,954	408,509
Interest expense - (Note 3)	42,512	42,454
Total operating expenses	7,159,322	7,767,362
Operating income (loss)	544,638	(57,376)
Gain/(loss)on sale/(disposal)of assets	(3,487)	(2,460)
Loss on closing of restaurant	0	(176,415)
Workers' compensation refund	0	135,000
Other income	17,068	24,455
Excess(deficiency)of revenues over expenses - (Note 1G)	$ 558,219	$(76,796)

See independent accountants' review report and notes to the financial statements.

VRONA & VAN SCHUYLER CPAS, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

Wendcharles I, LLC
Statements of Changes in Members' Capital-Income Tax Basis
For the Years Ended December 27, 2015 and December 28, 2014

Members' Capital, December 29, 2013	$ 6,831
Excess(deficiency)of revenues over expenses December 28, 2014	(76,796)
Capital contribution, December 28, 2014	1,400,000
Distributions paid to members	(105,425)
Members' Capital, December 28, 2014	1,224,610
Excess(deficiency)of revenues over expenses December 28, 2014	558,219
Redemption of members' interest	(109,000)
Capital contribution, December 27, 2015	5,000
Distributions paid to members	(164,810)
Members' Capital, December 27, 2015	$ 1,514,019

See independent accountants' review report and notes to the financial statements.

VRONA & VAN SCHUYLER CPAS, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

Wendcharles I, LLC
Statements of Cash Flows-Income Tax Basis
For the Years Ended December 27, 2015 and December 28, 2014

	2015	2014
Cash flows from operating activities:		
Excess(deficiency)of revenues over expenses	$ 558,219	$(76,796)
Adjustments to reconcile to net cash provided by operating activities:		
Depreciation and amortization	210,954	408,509
(Gain)/loss on (sale)/disposal of assets	3,487	2,460
Loss on closing of restaurants	0	176,415
Increase (decrease) in cash attributed to changes in assets and liabilities:		
Decrease (increase)in inventories	(12,883)	4,739
Decrease (increase) in prepaid expenses and other current assets	2,063	18,190
Increase (decrease) in accounts payable, accrued expenses and taxes	1,231	65,462
Total adjustments	204,852	675,775
Net cash provided by operating activities	763,071	598,979
Cash flows from investing activities:		
Capital expenditures, tangible and intangible assets	(79,044)	(462,145)
Net cash provided by(used in)investing activities	(79,044)	(462,145)
Cash flows from financing activities:		
Redemption of members' interest	(109,000)	0
Repayments of note payable	(61,380)	(1,187,666)
Members' distributions	(164,810)	(105,425)
Members' capital contributions	5,000	1,400,000
Proceeds from debt	0	150,000
Net cash provided by(used in)financing activities	(330,190)	256,909
Net increase (decrease) in cash	353,837	393,743
Cash, beginning of period	511,413	117,670
Cash, end of period	$ 865,250	$ 511,413
Additional Cash Flow Information:		
Interest paid during the year	$ 42,713	$ 56,359

See independent accountants' review report and notes to the financial statements.

Wendcharles I, LLC
Notes to the Financial Statements
December 27, 2015 and December 28, 2014

Note 1 - Summary of Significant Accounting Policies

(A) The Company:

Wendcharles I, LLC was formed on June 24, 2008 pursuant to the South Carolina Code of Laws to acquire, own and operate eleven existing Wendy's Old Fashioned Hamburger Restaurants in the Charleston, South Carolina metropolitan area. As part of the same overall transaction, another South Carolina limited liability company, Wendcharles II, LLC, affiliated with the Company by certain common management and ownership interests, acquired six other existing Wendy's Old Fashioned Hamburger Restaurants in and proximate to North Charleston. The restaurants were all acquired from one unrelated seller for an aggregate purchase price of $5,760,000, less net adjustments to the Company of approximately $14,000. The Company's recorded goodwill in the amount of approximately $4,060,000. The purchase price was financed principally by a $3,500,000 loan from Bank of America, with the balance provided by capital contributions of the members. The acquisition closed and restaurant operations commenced on September 16, 2008.

The leases for the eleven leasehold estates, all in South Carolina, were assigned to the Company from different lessors. Four locations each are in Charleston and North Charleston and three are in Mt. Pleasant as follows: Charleston: 1721 Sam Rittenberg Boulevard; 194 Cannon Street; 343 Folly Road; and 5275 International Blvd; North Charleston: 4113 Rivers Avenue; 5115 Dorchester Rd; 9145 University Blvd; and 4892 Ashley Phosphate Road; Mt Pleasant: 361 Highway 17 By-Pass; 935 Chuck Dawley Boulevard; and 596 Long Point Road. (See Note 4B).

On December 26, 2011 the Company sold its Sam Rittenberg Boulevard location to Wendcharles II, LLC, a related party. (See Notes 1A and 2).

In 2013 the Company closed its 5115 Dorchester Road store and sold its 4892 Ashley Phosphate Road store to Wendcharles II, LLC.

In 2014 the Company closed its 194 Cannon Street location. (See Note 2).

The Company is to continue in perpetuity, except it is to be dissolved as a result of the sale of all business operations or the sale of all or substantially all of its assets, in each of such cases upon the receipt of the consideration therefor in cash or the reduction to cash of non-cash consideration, or upon the occurrence of certain events as set forth in the operating agreement. (See Note 5B).

The Company currently operates seven restaurants, all of which are leased.

(B) Income Tax Basis of Accounting:

The Company is treated as a partnership for Federal and South Carolina income tax purposes. The accompanying financial statements have been prepared on the basis of accounting used to prepare the Company's federal partnership return. Such other comprehensive basis of accounting differs from generally accepted accounting principles. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in accordance with generally accepted accounting principles.

Wendcharles I, LLC
Notes to the Financial Statements
December 27, 2015 and December 28, 2014

Note 1 - Summary of Significant Accounting Policies - (Continued):

(C) Inventories:

Inventories represent food and supplies and are stated at cost.

(D) Property, Equipment and Depreciation:

Property and equipment are stated at cost. Depreciation is provided by application of the straight-line method over depreciable lives as follows:

Land improvements	15 years
Leasehold improvements	15 to 39 years
Restaurant equipment	5 to 7 years
Automobile	5 years

If it had qualifying property placed in service during the year, the Company has taken additional depreciation deductions in accordance with the federal government's enactment of the Economic Stimulus Act of 2008, amended by the American Recovery and Reinvestment Act of 2009, the Small Business Jobs Act of 2010, and the Tax Relief, Unemployment Insurance Reauthorization and Job Creation Act of 2010.

(E) Goodwill:

Goodwill, representing the excess of the purchase price over the fair value of the assets acquired, is amortized over fifteen years.

(F) Deferred Costs:

The Company capitalized the costs incurred in obtaining its financing and its leases. These costs are amortized over the life of the loan.

(G) Income Taxes:

The Company was organized as a Limited Liability Company under the laws of South Carolina and is not subject to any federal or state income tax. For federal and South Carolina income tax purposes, the Company is treated as a partnership. Accordingly, each member is required to report on his federal and applicable state income tax return his distributive share of all items of income, gain, loss, deduction, credit and tax preference of the Company for any taxable year, whether or not any cash distribution has been or will be made to such member.

The Company's tax returns are subject to examination by the Federal and State taxing authorities. The tax laws, rules and regulations governing these returns are complex, technical and subject to varying interpretations. If an examination required the Company to make adjustments, the profit or loss allocated to the members would be adjusted accordingly. Management believes the Company is no longer subject to tax examinations for the years prior to 2012.

Although income tax rules are used to determine the timing of the reporting revenues and expenses, non-taxable and non-deductible expenses are included in the determination of net income in the accompanying financial statements.

Wendcharles I, LLC
Notes to the Financial Statements
December 27, 2015 and December 28, 2014

Note 1 - Summary of Significant Accounting Policies - (Continued):

(H) Fiscal Year:

The Company's annual accounting period is a fiscal year ending on the last Sunday of December.

(I) Cash:

The Company maintains its cash in various banks. The accounts at each bank are guaranteed by the Federal Deposit Insurance Corporation, to a maximum of $250,000. At any time during the year, the cash balance may exceed $250,000.

(J) Use of Estimates:

The preparation of financial statements in conformity with the income tax accrual basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

(K) Advertising:

The Company expenses all advertising costs when incurred.

(L) Sales Tax:

The Company collects sales tax and remits to the state of South Carolina. The liability is reflected in taxes payable on the balance sheet.

Note 2 - Property and Equipment

Property and equipment consist of the following:

	2015	2014
Land improvements	$ 220,466	$ 214,972
Leasehold improvements	977,820	937,648
Restaurant equipment	1,502,036	1,488,650
Construction in progress	0	0
Automobile	13,514	13,514
Total	2,713,836	2,654,784
Less: Accumulated depreciation	2,152,879	2,036,047
Property and equipment, net	$ 560,957	$ 618,737

In 2014 the Company closed its 194 Cannon Street restaurant and recognized a loss of $176,415.

Wendcharles I, LLC
Notes to the Financial Statements
December 27, 2015 and December 28, 2014

Note 3 - Long Term Debt

On March 17, 2010, the Company borrowed $250,000 from Wen-Restaurants LLC (a related company, see note 6C). Repayment terms were $2,440 per month including interest at 3.25% per annum. In November 2013 the Company prepaid $45,126 to reduce the loan balance to $125,000. Terms were monthly payments of $1,221 including interest of 3.25% for 120 months. The loan was repaid in 2014.

In October 2011 the Company borrowed $120,000 from M&T Bank. Repayment terms are $3,333 per month for 36 months plus interest at 3.25%.The loan was repaid in 2014.

In April 2012 the Company borrowed $180,000 from Wendcapital LLC, a related party. Repayment terms are $1,757 per month for 144 months at an interest rate of 6%. Additional interest may be charged if certain performance based sales are realized.

The future principal payments are as follows:

2016	$ 13,159
2017	13,970
2018	14,882
2019	15,746
2020	16,718
Thereafter	63,492
	$ 137,967

On June 27, 2013 the Company borrowed $1,100,000 from M&T Bank. Repayment terms are approximately $18,644 plus interest at 3% for 59 months. The loan was repaid in 2014.

The Company borrowed $150,000 from M&T Bank in May of 2014 for equipment. Repayment terms are $4,414 per month for 36 months including interest at 3.25%.

The future principal payments are as follows:

2016	$ 51,766
2017	21,065
	$ 72,831

Note 4 - Commitments and Contingencies

(A) Franchise Agreement Commitments:

The Company is the franchisee for the seven Wendy's restaurants it owns and operates. The franchise agreements obligate the Company to pay to Wendy's International a monthly royalty equal to 4% of the gross sales of each restaurant, or $250, whichever is greater. The Company must also pay to Wendy's National Advertising Program 3.5% of the gross sales and spend not less than .5% of the gross sales of each restaurant for local and regional advertising.

Wendcharles I, LLC
Notes to the Financial Statements
December 27, 2015 and December 28, 2014

Note 4 - Commitments and Contingencies - (Continued):

(B) Minimum Operating Lease Commitments:

The lease for the restaurant located at 4113 Rivers Ave in North Charleston has a primary term that expires on March 31, 2025 and includes two five-year renewal options. The current annual rent for the lease is $106,983 through March 31, 2016. At that time and on each April 1 thereafter, annual rent will be increased by the previous year's annual rent multiplied by 1%.

The lease for the restaurant located at 343 Folly Road in Charleston has a primary term that expires on November 6, 2021 and includes two five-year renewal options. The annual rent is $70,200 for all terms of the lease. In addition the Company is required to pay percentage rent equal to 7% of gross sales in excess of $589,488.

The lease for the restaurant located at 361 Hwy 17 Bypass in Mt Pleasant has a primary term that expires on November 6, 2021 and includes two five-year renewal options. The annual rent is $55,333 for all terms of the lease. In addition the Company is required to pay percentage rent equal to 7% of gross sales in excess of $750,000. In 2013 part of the land was condemned and the Company received $181,061 in proceeds. The lease was amended to reflect this change. The Company recognized a gain of $90,508.

The lease for the restaurant located at 935 Chuck Dawley Blvd in Mt Pleasant had a primary term that expired on September 9, 1996. The current term expires on September 9, 2016. The annual rent is $97,020 for the remainder of the current term. In addition the Company is required to pay percentage rent equal to 6% of gross sales in excess of base rent.

The lease for the restaurant located at 9145 University Blvd in North Charleston has a primary term that expires on March 31, 2025 and includes two five-year renewal options. The current annual rent for the lease is $109,734 through March 31, 2016. At that time and on each April 1 thereafter, annual rent will be increased by the previous year's annual rent multiplied by 1%.

The lease for the restaurant located at 596 Long Point Road in Mt Pleasant has a primary term that expires on March 31, 2025 and includes two five-year renewal options. The current annual rent for the lease is $100,278 through March 31, 2016. At that time and on each April 1 thereafter, annual rent will be increased by the previous year's annual rent multiplied by 1%

The lease for the restaurant located at 5275 International Blvd in North Charleston has a primary term that expires on April 30, 2027 and includes four five-year renewal options. The current annual rent for the lease is $129,150 through June 30, 2018. At that time and on each five year anniversary thereafter, annual rent will be increased by the previous year's annual rent multiplied by 5%.

Wendcharles I, LLC
Notes to the Financial Statements
December 27, 2015 and December 28, 2014

Note 4 - Commitments and Contingencies - (Continued):

(B) Minimum Operating Lease Commitments - continued:

The Company is required to pay all realty taxes, insurance, routine maintenance and common charges for the above leases.

Rent expense was $798,037 in 2015 and $872,350 in 2014 including percentage including percentage rent of $130,123 in 2015 and $115,744 in 2014.

Future annual minimum rentals are as follows:

2016	$ 641,161
2017	577,250
2018	583,704
2019	590,191
2020	593,481
Thereafter	2,441,147
	$ 5,426,934

(C) Financial and Operational Advisory Services Agreement:

The Company has a financial and operational advisory services agreement with three of its corporate officers. The agreement provides for these officers to: Consult with and advise the Company on applicable financial and/or operational matters and if required by the Company's debt, lease or franchise agreements, to which they are signatories, to remain ready, willing and able to maintain such status for the benefit of the Company, except where such guarantees are not needed; and remain able to provide such additional personal guarantees as, within their sole discretion, may reasonably be necessary to maintain the business of the Company. The initial term expires December 2011, and is automatically renewable annually thereafter, as long as the Company remains in business. The agreement also provides for the reimbursement of reasonable expenses incurred by the individuals in fulfilling their duties. (See Note 6A).

Note 5 - Capitalization and Operating Agreement

(A) Capitalization:

The Company's initial capitalization consisted of 800 units, of which 42 and 32 were sold to two managing members at $100 per unit, or $ 7,400 in the aggregate, and 80 units were sold to the third managing member at $125 per unit, or $10,000 in the aggregate. Of the remaining 646 units, 67 were sold at $100 per unit, or $6,700 in the aggregate, and 579 units were sold at per unit contributions of $4,700 totaling $2,721,300. All contributions totaled $2,745,400. (See Note 5B).

Wendcharles I, LLC
Notes to the Financial Statements
December 27, 2015 and December 28, 2014

Note 5 - Capitalization and Operating Agreement - (Continued):

(B) Operating Agreement:

All purchasers of membership interests are parties to the Company's operating agreement which provides for the capitalization and operation of the Company, distributions to members and transfers of interests. Members' consents representing 75% of all membership interests are required for the following actions: Change in the operating agreement; voluntary dissolution; sale or exchange of substantially all assets; merger or consolidation; incurrence of debt or refinancing other than in the ordinary course of business or in connection with entering new or unrelated businesses; and removal of a manager, for cause. Members are not required to make up negative capital accounts. Distributions either from cash flow generated by operations or capital transactions (as defined) other than capital contributions are made at the sole discretion of the managers, acting unanimously. Managers are elected by the members. Outside liens against membership interests are prohibited. For permitted transfers of membership interests, book value is equal to assets less liabilities using the income tax method/accrual basis of accounting.

In 2014 the Company issued 700 new units for an aggregate capital contribution of $1,400,000.

Members wishing to sell their interests shall submit their request in writing, together with appropriate documentation setting forth the terms of such sale, to the managing members, who within thirty days and at their sole discretion, shall approve or disapprove of such sale. If not approved, the managing members within fourteen additional days may elect to have the Company purchase the offered units at the stated terms. Such action by the managing members is to be by simple majority. If the managing members determine that the offered interests are not to be redeemed by the Company, then the interests shall be offered to the remaining members of the Company, pro-rata at the same offered terms, who will have 14 additional days to purchase the offered shares. If the interests are not purchased by the members, then they may be sold to the third-party purchaser at the offered terms, but the purchaser must become bound by the terms of the operating agreement. Membership interests may also be transferred to family members or trusts or by reason of death or incompetence.

In the event of a termination of a member's interest by death, retirement, resignation, expulsion, bankruptcy, incompetence, or in the case of a member that is not a natural person - dissolution, the Company must be dissolved unless it is continued by the consent of all the remaining members. Non-consenting members are deemed to offer and authorized representatives or trustees of deceased or bankrupt members may offer the applicable membership interest, first to the Company, and then to the consenting (continuing) members. In such case, the offered interests must be purchased by either the Company or one or more of the consenting members. Such purchases, unless made by the Company, are to be made pro-rata to the existing interests of purchasing members, unless they agree otherwise or there is only one purchasing member.

Wendcharles I, LLC
Notes to the Financial Statements
December 27, 2015 and December 28, 2014

Note 5 - Capitalization and Operating Agreement - (Continued):

(B) Operating Agreement - continued:

In any event, all offered interests of non-consenting members or by the estate, trustee, etc. of deceased or bankrupt members, etc. must be purchased by the Company or one or more consenting members or the Company must be dissolved and liquidated.

Note 6 - Related Party Transactions

(A) Financial and Operational Advisory Services:

The Company paid two of its three managing members and a third individual a total of $43,200 in 2015 and $43,200 in 2014 pursuant to a financial and operational advisory services agreement. (See Note 4C).

(B) Redemption of Membership Interest:

In October 2009 the Company redeemed one member's .125% membership interest for $2,000.

In April 2015 the Company redeemed the former president's shares for $105,000 which represents a 5.93% interest in the Company.

In April 2015 the Company redeemed one members .145% membership interest for $4,000.

In May 2015 the Company issued a 5.53% membership interest for $5,000 to its new manager.

(C) Note Payable:

In March 2012 the Company borrowed $180,000 from Wendcapital, LLC. Both Companies have common owners; however they are not under common control.

Note 7 - Pension Plan

The Company maintains a qualified cash or deferred compensation plan under section 401(K) of the Internal Revenue Code for all full-time employees meeting certain service requirements. Under the plan, employees may elect to defer up to (15%) of their salary, subject to Internal Revenue Service limits. A discretionary matching contribution may be made by the Company and added to each participant's account. Company contributions for the plan amounted to $0 for 2015 and $0 for 2014.

Note 8 - Subsequent Event

Subsequent events have been evaluated through the date the financial statements were issued, as reflected on the independent accountants' review report.

VRONA & VAN SCHUYLER CPAs, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

WENDCHARLES II, LLC

FINANCIAL STATEMENTS - INCOME TAX BASIS

DECEMBER 27, 2015 and DECEMBER 28, 2014

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CERTIFIED PUBLIC ACCOUNTANTS
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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Members
Wendcharles II, LLC
27 Central Avenue
Cortland, New York

We have reviewed the accompanying statements of assets, liabilities and members' capital-income tax basis of Wendcharles II, LLC as of December 27, 2015 and December 28, 2014 and the related statements of revenues and expenses-income tax basis, changes in members' capital (deficit)-income tax basis and cash flows-income tax basis for the years then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the income tax basis of accounting and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the reviews in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with the income tax basis of accounting, as described in Note 1.

Vrona & Van Schuyler CPAs, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

January 29, 2016

Wendcharles II, LLC
Statements of Assets, Liabilities and
Members' Capital (Deficit)-Income Tax Basis
December 27, 2015 and December 28, 2014

ASSETS

	2015	2014
Current assets:		
Cash (Note 1I)	$1,590,759	$ 930,804
Inventories - (Note 1C)	67,523	68,286
Prepaid expenses and other current assets	0	0
Total current assets	1,658,282	999,090
Property and equipment - (Notes 1D and 2)	878,309	936,819
Other assets:		
Goodwill, net of accumulated amortization of $778,082 in 2015 and $654,318 in 2014 - (Note 1E)	1,081,183	1,201,197
Deposits	6,075	6,075
Total other assets	1,087,258	1,207,272
TOTAL ASSETS	$3,623,849	$3,143,181

LIABILITIES AND MEMBERS' CAPITAL (DEFICIT)

	2015	2014
Current liabilities:		
Current maturities of long-term debt - (Note 3)	$ 73,215	$ 67,085
Accounts payable, accrued expenses and taxes payable	1,005,756	869,140
Total current liabilities	1,078,971	936,225
Long-term debt, less current maturities - (Note 3)	411,950	485,166
Total liabilities	1,490,921	1,421,391
Commitments and contingencies - (Notes 3, 4, 5, 6 and 7)	-	-
Members' capital (deficit) - (Notes 1A, 5 and 6B)	2,132,928	1,721,790
TOTAL LIABILITIES AND MEMBERS' CAPITAL (DEFICIT)	$3,623,849	$3,143,181

See independent accountants' review report and notes to the financial statements.

VRONA & VAN SCHUYLER CPAs, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

Wendcharles II, LLC
Statements of Revenues and Expenses-Income Tax Basis
For the Years Ended December 27, 2015 and December 28, 2014

	2015	2014
Sales - net	$13,544,762	$12,534,562
Cost of sales - net	4,111,977	3,801,897
Gross profit	9,432,785	8,732,665
Labor expenses	3,766,968	3,536,837
Store operating and occupancy expenses	2,345,332	2,306,030
General and administrative expenses	644,034	573,813
Advertising expenses - (Note 4A)	646,050	600,619
Royalty expense - (Note 4A)	541,786	501,378
Depreciation and amortization - (Notes 1D, 1E and 1F)	452,749	511,231
Interest expense - (Note 3)	104,152	75,801
Total operating expenses	8,501,071	8,105,709
Operating income (loss)	931,714	626,956
Gain/(loss)on sale/(disposal) of assets	(32,308)	(36,120)
Other income	19,552	14,458
Excess(deficiency)of revenues over expenses - (Note 1G)	$ 918,958	$ 605,294

See independent accountants' review report and notes to the financial statements.

VRONA & VAN SCHUYLER CPAs, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

Wendcharles II, LLC
Statements of Changes in Members' Capital (Deficit)-Income Tax Basis
For the Years Ended December 27, 2015 and December 28, 2014

Members' capital, December 29, 2013	$ 1,412,936
Excess of revenues(deficit)over expenses for the period ended December 28, 2014	605,294
Distributions paid to members	(293,940)
Purchase of members' interest	(2,500)
Members' capital, December 28, 2014	1,721,790
Excess of revenues(deficit)over expenses for the period ended December 27, 2015	918,958
Distributions paid to members	(499,820)
Purchase of members' interest	(8,000)
Members' capital, December 27, 2015	$ 2,132,928

See independent accountants' review report and notes to the financial statements.

VRONA & VAN SCHUYLER CPAs, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

Wendcharles II, LLC
Statements of Cash Flows-Income Tax Basis
For the Years Ended December 27, 2015 and December 28, 2014

	2015	2014
Cash flows from operating activities:		
Excess(deficiency)of revenues over expenses	$ 918,958	$ 605,294
Adjustments to reconcile to net cash provided by operating activities:		
Depreciation and amortization	452,749	511,231
(Gain)/loss on (sale)/disposal of assets	32,308	36,120
Increase (decrease) in cash attributed to changes in assets and liabilities:		
Decrease(increase)in inventories	763	(311)
Decrease (increase) in prepaid expenses and other current assets	0	12,692
Increase (decrease) in accounts payable, accrued expenses and taxes	136,616	80,866
Total adjustments	622,436	640,598
Net cash provided by operating activities	1,541,394	1,245,892
Cash flows from investing activities:		
Capital expenditures, tangible and intangible assets	(306,533)	(538,122)
Deposits (paid) returned	0	6,085
Net cash provided by(used in)investing activities	(306,533)	(532,037)
Cash flows from financing activities:		
Repayments of note payable	(67,086)	(418,920)
Members' distributions	(499,820)	(293,940)
Redemption of member's interest	(8,000)	(2,500)
Proceeds from loan	0	267,720
Net cash provided by(used in)financing activities	(574,906)	(447,640)
Net increase (decrease) in cash	659,955	266,215
Cash, beginning of period	930,804	664,589
Cash, end of period	$1,590,759	$ 930,804
Supplemental Information:		
Interest paid during the year	$ 104,338	$ 77,214

See independent accountants' review report and notes to the financial statements.

Wendcharles II, LLC
Notes to the Financial Statements
December 27, 2015 and December 28, 2014

Note 1 - Summary of Significant Accounting Policies

(A) The Company:

Wendcharles II, LLC was formed on June 24, 2008 pursuant to the South Carolina Code of Laws to acquire, own and operate six existing Wendy's Old Fashioned Hamburger Restaurants in the Charleston, South Carolina metropolitan area. As part of the same overall transaction, another South Carolina limited liability company, Wendcharles I, LLC, affiliated with the Company by certain common management and ownership interests, acquired eleven other existing Wendy's Old Fashioned Hamburger Restaurants in and proximate to North Charleston. The restaurants were all acquired from one unrelated seller for an aggregate purchase price of $5,760,000, less net adjustments to the Company of approximately $14,000. The Company's recorded goodwill in the amount of approximately $4,060,000. The purchase price was financed principally by a $3,500,000 loan from Bank of America, with the balance provided by capital contributions of the members. The acquisition closed and restaurant operations commenced on September 16, 2008.

The leases for the six leasehold estates, all in South Carolina, were assigned to the Company from different lessors. Two locations each are in Goose Creek and Summerville and one each is in North Charleston and Moncks Corner as follows: Goose Creek: 101 Red Bank Road; and 601 St. James Avenue; Summerville: 740 North Main Street; and 10012 Dorchester Road; North Charleston: 7440 Northwoods Boulevard; and Moncks Corner: 515 North Highway 52.

The Company is to continue in perpetuity, except it is to be dissolved as a result of the sale of all business operations or the sale of all or substantially all of its assets, in each of such cases upon the receipt of the consideration therefor in cash or the reduction to cash of non-cash consideration, or upon the occurrence of certain events as set forth in the operating agreement. (See Note 5B).

On December 26, 2011 the Company purchased the assets for a restaurant located at Sam Rittenberg Boulevard in Charleston, North Carolina from Wendcharles I, LLC, a related party. The Company also assumed the lease for the property. (See Note 4B).

In 2013 the Company purchased the assets for a restaurant located at 4892 Ashley Phosphate Road restaurant in North Charleston, North Carolina from Wendcharles I, LLC, a related party. The Company also assumed the lease for the property. (See Notes 4B and 6C).

The Company currently operates eight restaurants, all of which are leased. (See Note 4B).

(B) Income Tax Basis of Accounting:

The Company is treated as a partnership for federal and South Carolina income tax purposes. The accompanying financial statements have been prepared on the basis of accounting used to prepare the Company's federal partnership return. Such other comprehensive basis of accounting differs in certain respects from generally accepted accounting principles. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in accordance with generally accepted accounting principles.

See independent accountants' review report.

Wendcharles II, LLC
Notes to the Financial Statements
December 27, 2015 and December 28, 2014

Note 1 - Summary of Significant Accounting Policies - (Continued):

(C) Inventories:

Inventories represent food and supplies and are stated at cost.

(D) Property, Equipment and Depreciation:

Property and equipment are stated at cost. Depreciation is provided by application of the straight-line method over depreciable lives as follows:

Land improvements	15 to 39 years
Leasehold improvements	15 to 39 years
Restaurant equipment	5 to 7 years

If it had qualifying property placed in service during the year, the Company has taken additional depreciation deductions in accordance with the federal government's enactment of the Economic Stimulus Act of 2008, amended by the American Recovery and Reinvestment Act of 2009, the Small Business Jobs Act of 2010, and the Tax Relief, Unemployment Insurance Reauthorization and Job Creation Act of 2010.

(E) Goodwill:

Goodwill, representing the excess of the purchase price over the fair value of the assets acquired, is amortized over fifteen years.

(F) Deferred Costs:

The Company capitalized the costs incurred in obtaining its financing and its leases. These costs are amortized over the life of the loan.

(G) Income Taxes:

The Company was organized as a Limited Liability Company under the laws of South Carolina and is not subject to any federal or state income tax. For federal and South Carolina income tax purposes, the Company is treated as a partnership. Accordingly, each member is required to report on his federal and applicable state income tax return his distributive share of all items of income, gain, loss, deduction, credit and tax preference of the Company for any taxable year, whether or not any cash distribution has been or will be made to such member.

The Company's tax returns are subject to examination by the Federal and State taxing authorities. The tax laws, rules and regulations governing these returns are complex, technical and subject to varying interpretations. If an examination required the Company to make adjustments, the profit or loss allocated to the members would be adjusted accordingly. Management believes the Company is no longer subject to tax examinations for the years prior to 2012.

Although income tax rules are used to determine the timing of the reporting of revenues and expenses, non-taxable revenues and non-deductible expenses are included in the determination of net income in the accompanying financial statements.

VRONA & VAN SCHUYLER CPAS, PLLC
CERTIFIED PUBLIC ACCOUNTANTS

Note 1 - Summary of Significant Accounting Policies - (Continued):

(H) Fiscal Year:

The Company's annual accounting period is a fiscal year ending on the last Sunday of December.

(I) Cash:

The Company maintains its cash in various banks. The accounts at each bank are guaranteed by the Federal Deposit Insurance Corporation, to a maximum of $250,000. At any time during the year, the cash balance may exceed $250,000.

(J) Use of Estimates:

The preparation of financial statements in conformity with the income tax basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

(K) Advertising:

The Company expenses all advertising costs when incurred.

(L) Sales Tax:

The Company collects sales tax and remits to the state of South Carolina. The liability is reflected in taxes payable on the balance sheet.

Note 2 - Property and Equipment

Property and equipment consist of the following:

	2015	2014
Construction in progress	$ 0	$ 43,230
Land improvements	315,986	292,060
Leasehold improvements	1,135,356	1,078,699
Restaurant equipment	1,835,140	1,692,438
Total	3,286,482	3,106,427
Less: Accumulated depreciation	2,408,173	2,169,608
Property and equipment, net	$ 878,309	$ 936,819

Note 3 - Acquisition Debt

At the closing of the purchase transaction, the Company and its affiliate, Wendcharles I, LLC, jointly obtained a $3,500,000 loan from Bank of America, with interest at a floating rate, initially equal to the thirty-day adjusted LIBOR plus 250 basis points for the period commencing on the closing date until four quarterly financial reports have been submitted and reviewed in accordance with the loan agreement and, thereafter, equal to the thirty day adjusted LIBOR plus a margin based on the funded debt to earnings before interest, taxes depreciation and amortization ("EBITDA") ratio. Based on the relative values of the leasehold interests acquired, $1,800,000 and $1,700,000, representing 51% and 49%, respectively, of the total principal amount, were recorded on the books of the Company and its affiliate, although they are jointly and severally liable for the loan.

Wendcharles II, LLC
Notes to the Financial Statements
December 27, 2015 and December 28, 2014

Note 3 - Acquisition Debt - (Continued):

In June 2013 the Company borrowed $400,000 from M&T Bank to repay the remaining balance on the Bank of America acquisition loan. Repayment terms are $6,780 per month plus interest at an initial rate of 3% for 60 months. The loan was repaid in 2014.

In October 2011 the Company borrowed $50,000 from M&T Bank for restaurant equipment. Repayment terms are monthly payments of $1,388 plus interest at 3.24% for 36 months. The loan was repaid in 2014.

In August and October 2012 the Company borrowed two $180,000 notes from Wendcapital LLC for renovations. Each note has a repayment term of $1,757 per month which includes interest at 6%. Each loan matures on August 1, 2024. Additional interest may be charged if certain performance based sales are realized. (See Note 6C).

The future annual principal payments are as follows:

2016	$ 25,732
2017	27,320
2018	29,006
2019	30,795
2020	32,694
Thereafter	139,846
	$285,393

In April 2014 the Company borrowed $180,000 from Wendcapital II, LLC a related party. Repayment terms are $1,998 per month which includes interest at a rate of 6% for 120 months. Additional interest may be charged if certain sales performance goals are met. (See Note 6C).

The future annual principal payments are as follows:

2016	$ 14,970
2017	15,894
2018	16,874
2019	17,915
2020	19,020
Thereafter	72,284
Total	$ 156,957

In June 2014 the Company borrowed $87,720 form M&T Bank for equipment. Repayment terms are $2,597 per month which includes interest at a rate of 4% for 36 months.

The future annual principal payments are as follows:

2016	$ 32,513
2017	10,301
Total	$ 42,814

Wendcharles II, LLC
Notes to the Financial Statements
December 27, 2015 and December 28, 2014

Note 4 - Commitments and Contingencies

(A) Franchise Agreement Commitments:

The Company is the franchisee for the eight Wendy's restaurants it owns and operates. The franchise agreements obligate the Company to pay to Wendy's International a monthly royalty equal to 4% of the gross sales of each restaurant, or $250, whichever is greater. The Company must also pay to Wendy's National Advertising Program 3.5% of the gross sales and spend not less than .5% of the gross sales of each restaurant for local and regional advertising.

(B) Minimum Operating Lease Commitments:

The lease for the restaurant located at 101 Red Bank Road in Goose Creek has a primary term that expires on December 31, 2032 and includes two five-year renewal options. The annual rent for the lease is $96,000. In addition the Company is required to pay percentage rent equal to 10% of gross sales in excess of $1,150,000.

The lease for the restaurant located at 740 North Main Street in Summerville had a primary term that expired on June 20, 2004. The current term expires on June 20, 2019 and includes one remaining five-year renewal option. The annual rent is $67,628 for all terms of the lease.

The lease for the restaurant located at 10012 Dorchester Road in Summerville had a primary term that expired on April 30, 1995. The current term expires on April 30, 2020. The current annual rent for the lease is $63,000 through April 30, 2020. At that time and on each five year anniversary thereafter, annual rent will be increased by the previous year's annual rent multiplied by 8%. In addition the company is required to pay percentage rent equal to 6% of gross sales in excess of base rent.

The lease for the restaurant located at 7440 Northwoods Blvd in North Charleston has a primary term that expires on November 8, 2020 and includes two ten year renewal options. The current annual rent for the lease is $129,399 through November 30, 2020. At that time and on each five year anniversary thereafter, annual rent will be increased by the previous year's annual rent multiplied by 5%. In addition the Company is required to pay percentage rent equal to 6% of gross sales in excess of base rent.

The lease for the restaurant located at 601 St. James Avenue in Goose Creek has a primary term that expires on March 31, 2025 and includes two five-year renewal options. The current annual rent for the lease is $110,174 through March 31, 2016. At that time and on each April 1 thereafter, annual rent will be increased by the previous year's annual rent multiplied by 1%.

The lease for the restaurant located at 515 North Highway 52 in Moncks Corner has a primary term that expires on November 30, 2025 and includes two five-year renewal options. The current annual rent for the lease is $134,565. On each December 1 thereafter, annual rent will be increased by the previous year's annual rent multiplied by 1.5%.

The lease for the restaurant located at 1721 Sam Rittenberg Boulevard in Charleston has a primary term that expires on November 6, 2021 and includes two five-year renewal options. The annual rent is $76,920. In addition the Company is required to pay percentage rent equal to 7% of gross sales.

See independent accountants' review report.

Note 4 - Commitments and Contingencies - (Continued):

(B) Minimum Operating Lease Commitments -continued:

The lease for the restaurant located at 4892 Ashley Phosphate Road in North Charleston has a primary term that expires on March 31, 2025 and includes two five year renewal options. The current annual rent is $104,235 through April 1, 2016. At that time and every one year anniversary thereafter, annual rent will be increased by the previous year's annual rent multiplied by 1%.

The Company is required to pay all realty taxes, insurance, routine maintenance and common charges for the above leases.

Rent expense was $908,552 in 2015 and $877,436 in 2014 including percentage rent of $136,962 in 2015 and $106,241 in 2014.

Future annual minimum rentals are as follows:

2016	$ 783,697
2017	787,878
2018	792,111
2019	760,723
2020	672,417
Thereafter	2,937,178
	$6,734,004

(C) Financial and Operational Advisory Services Agreement:

The Company has a financial and operational advisory services agreement with three of its corporate officers. The agreement provides for these officers to: Consult with and advise the Company on applicable financial and/or operational matters and if required by the Company's debt, lease or franchise agreements, to which they are signatories, to remain ready, willing and able to maintain such status for the benefit of the Company, except where such guarantees are not needed; and remain able to provide such additional personal guarantees as, within their sole discretion, may reasonably be necessary to maintain the business of the Company. The initial term expires December 2011, and is automatically renewable annually thereafter, as long as the Company remains in business. The agreement also provides for the reimbursement of reasonable expenses incurred by the individuals in fulfilling their duties. (See Note 6A).

Financial and operating advisory services fees totaled $19,200 in 2015 and $19,200 in 2014.

Note 5 - Capitalization and Operating Agreement

(A) Capitalization:

The Company's initial capitalization consisted of 800 units, of which 42 and 32 were sold to two managing members at $100 per unit, or $7,400 in the aggregate, and 64 units were sold to the third managing member at $156 per unit, or $10,000 in the aggregate. Of the remaining 646 units, 83 were sold at $100 per unit, or $8,300 in the aggregate, and 579 units were sold at per unit contributions of $2,300 totaling $1,331,700. All contributions totaled $1,357,400. (See Note 5B).

In March of 2013 the Company issued 795 additional units, of which 731 were sold to the members at $2,000 per unit, or $1,462,000 in the aggregate. 64 units were issued to its President at no cost.

Note 5 - Capitalization and Operating Agreement - (Continued):

(B) Operating Agreement:

All purchasers of membership interests are parties to the Company's operating agreement which provides for the capitalization and operation of the Company, distributions to members and transfers of interests. Members' consents representing 75% of all membership interests are required for the following actions: Change in the operating agreement; voluntary dissolution; sale or exchange of substantially all assets; merger or consolidation; incurrence of debt or refinancing other than in the ordinary course of business or in connection with entering new or unrelated businesses; and removal of a manager, for cause. Members are not required to make up negative capital accounts.
Distributions either from cash flow generated by operations or capital transactions (as defined) other than capital contributions are made at the sole discretion of the managers, acting unanimously. Managers are elected by the members. Outside liens against membership interests are prohibited. For permitted transfers of membership interests, book value is equal to assets less liabilities using the income tax method/accrual basis of accounting, except for transfers involving the interest owned by the Company's President, in which case a special valuation adjustment is required through August 2013.

Members wishing to sell their interests shall submit their request in writing, together with appropriate documentation setting forth the terms of such sale, to the managing members, who within thirty days and at their sole discretion, shall approve or disapprove of such sale. If not approved, the managing members within fourteen additional days may elect to have the Company purchase the offered units at the stated terms. Such action by the managing members is to be by simple majority. If the managing members determine that the offered interests are not to be redeemed by the Company, then the interests shall be offered to the remaining members of the Company, pro-rata at the same offered terms, who will have 14 additional days to purchase the offered shares. If the interests are not purchased by the members, then they may be sold to the third-party purchaser at the offered terms, but the purchaser must become bound by the terms of the operating agreement. Membership interests may also be transferred to family members or trusts or by reason of death or incompetence.

In the event of a termination of a member's interest by death, retirement, resignation, expulsion, bankruptcy, incompetence, or in the case of a member that is not a natural person - dissolution, the Company must be dissolved unless it is continued by the consent of all the remaining members. Non-consenting members are deemed to offer and authorized representatives or trustees of deceased or bankrupt members may offer the applicable membership interest, first to the Company, and then to the consenting (continuing) members. In such case, the offered interests must be purchased by either the Company or one or more of the consenting members. Such purchases, unless made by the Company, are to be made pro-rata to the existing interests of purchasing members, unless they agree otherwise or there is only one purchasing member.

In any event, all offered interests of non-consenting members or by the estate, trustee, etc. of deceased or bankrupt members, etc. must be purchased by the Company or one or more consenting members or the Company must be dissolved and liquidated.

Wendcharles II, LLC
Notes to the Financial Statements
December 27, 2015 and December 28, 2014

Note 6 - Related Party Transactions

(A) Financial and Operating Advisory Service Fees:

The Company paid two of its three managing members and a third individual a total of $19,200 in 2015 and $19,200 in 2014 pursuant to a financial and operational advisory services agreement. (See Note 4C).

(B) Other:

In March 2009 the Company redeemed one member's .13% membership interest for $500.

In January 2010 the Company redeemed one member's .13% membership interest for $1,500.

In December 2011 the Company redeemed one member's .13% membership interest for $1,500.

In March 2013 the Company redeemed one member's .13% membership interest for $3,300.

In April 2013 the Company redeemed one member's .13% membership interest for $2,000.

In April 2014 the Company redeemed one member's .13% membership interest for $2,500.

In April 2015 the Company redeemed one member's .13% membership interest for $8,000.

(C) The Company, Wendcapital, LLC, Wendcapital II, LLC and Wendcharles I, LLC have certain common equity interests; however, they are not under common control.

Note 7 - Pension Plan

The Company maintains a qualified cash or deferred compensation plan under section 401(K) of the Internal Revenue Code for all full-time employees meeting certain service requirements. Under the plan, employees may elect to defer up to (15%) of their salary, subject to Internal Revenue Service limits. A discretionary matching contribution may be made by the Company and added to each participant's account. Company contributions for the plan amounted to $8 for 2015 and $5 for 2014.

Note 8 - Subsequent Event

Subsequent events have been evaluated through the date the financial statements were issued, as reflected on the independent accountants' review report.