



PRE-OPENING PAPERWORK AND LEASE CHECKLIST

Most states don't license martial arts instruction. You still need the paperwork any small business needs, plus a couple of things specific to a room full of people throwing each other around. Tick a box only when it's done.

School: _____

City and state: _____

Date: ____/____/____

1 · Form the business do this before you sign anything

- ☐ **Register your LLC before you sign a lease.** It protects your personal assets from day one.
- ☐ Look up your own state's filing fee. Fees vary, and they're small next to rent but not optional.
- ☐ **FLORIDA** \$125 to file (\$100 filing plus \$25 registered agent), then a \$138.75 annual report. It becomes \$538.75 if you file after May 1.
- ☐ **NEW YORK** \$200 to file Articles of Organization. You also publish a notice in two newspapers for six weeks, then file a Certificate of Publication (\$50). Newspaper cost varies by county.

2 · Before you sign the lease your biggest fixed cost, so read it slowly

- ☐ **Term length.** Ask for a shorter term or a renewal option, so you have room to be wrong about the location.
- ☐ **Repairs and property taxes.** Who pays each?
- ☐ **Annual rent increases.** Does rent step up each year, and by how much?
- ☐ **Early exit.** What happens if you need out early?
- ☐ **Build-out allowance or reduced rent.** Ask for both.
- ☐ **Lease deposit** (usually one to three months of rent, toward the high end for first-time owners; refunded when the lease ends): \$_____ in cash on hand.
- ☐ **Have a contractor walk the space** before you sign, and build in a cushion.

3 · Permits to open most states don't license martial arts instruction; your rank is your credential

- ☐ **General business license** from your city or county.
- ☐ **Certificate of occupancy** that matches your use. Codes usually class a martial arts studio as a business occupancy; a large training floor can count as assembly use. Expect a fire and building inspection.
- ☐ **Prepaid memberships.** Check how your state treats them.
- ☐ **FLORIDA** The health studio law (Fla. Stat. 501.012 to 501.019) can require a \$25,000 bond for prepaid memberships. A program used solely for martial arts, with no physical exercise equipment, can file an affidavit for exemption under 501.013(1)(d).

4 · Insurance you need it before your doors open

- ☐ **Get a martial arts policy.** Programs are usually priced per student (one major carrier charges about \$21 per student a year, \$750 minimum, for \$1 million in coverage).
- ☐ **Confirm it covers injuries during instruction,** not just slips in the lobby. Martial arts programs usually bundle general and professional liability into one policy.
- ☐ A generic small-business policy often won't cover instruction claims, so check before you buy.
- ☐ Check whether your governing body bundles coverage in (USA Judo and AAU Karate do).

5 · Before you buy gear

- ☐ **LLC registered and occupancy permit in hand.** Gear for a space you can't legally operate is money you won't get back.

Verify before you rely on this. Rules change by state and city. Check with your state, your city, and a licensed attorney before you sign or open.