



WRAITH
G A M E S

WORKER COLLECTIVE PRIMER

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WRAITH GAMES

WORKER COLLECTIVE PRIMER

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WHAT IS THIS DOCUMENT: This document is a collection of internal organizational documents for Wraith Games to be used as an introduction to our model, practices, and values for both members and non-members alike.

WHO ARE WE: We are ***Wraith Games***, the award-winning interactive media artists' collective (read: worker-owned indie game studio) behind the block-crunching puzzle game, Collapsus!

Founded in 2005, Wraith started as a few friends and an idea: "Hey, let's make a game." Through the years, while our lineup has shifted around a bit, Wraith has grown into a close-knit group of skilled game developers with a common passion for excellence, love of play, and razor-sharp focus on accessibility.

We set out to make games that inspire players to challenge themselves, think outside of the box, and most importantly... have fun!

MISSION STATEMENT: Wraith Games is an interactive media artists' cooperative serving marginalized creators and empowering us to create games that adhere to our authentic visions. We are an artist-owned, artist-run, and artist-benefiting co-op. We promote equity & inclusivity, support artist livelihoods, build opportunities for social impact, and uplift our community through the arts & creative play.

VISION STATEMENT: A world where people can enjoy the games they play while knowing they were crafted under ethical, equitable practices and where future generations of marginalized artists can see a piece of themselves in the media they consume.

OUR VALUES:

1. **Artist-owned** – We are an artist-owned, artist-run, and artist-benefiting co-op. Membership is open and voluntary, and we adhere to the “[7 International Principles of Cooperativism](#)” as outlined by the [International Co-operative Alliance](#) (based on the [Rochdale Principles](#)). The cooperative acts as a “[worker collective](#)”, wherein we operate in a non-hierarchical (or “flat”) way; where no one is the “boss”, or will ever be! All our artists have an equal right to vote, self-management, working time, and pay.

2. **Interactive Media Artists** – We believe that games are art. Maybe Roger Ebert didn’t, but we’re certainly not alone. *The Smithsonian Institution*, *The National Endowment for the Arts*, *The British Academy of Film & Television Arts*, and many more around the globe see the artistic value in games. As artists, our goal first and foremost is to adhere to our creative voice and clarity of vision above profit motives and all else.

3. **Elevating the Standard** – The typical way games are made is fundamentally broken. We have dedicated ourselves to forward-looking, human-focused, sustainable development practices. Our artists enjoy a flexible 24-hour workweek, unlimited leave, and absolutely zero crunch. They decide what to create, when they create, and who they create with, under the principles of “[open allocation](#)”. Our artists are people, not tools.

4. **Games for Everyone** – We are creators coming from marginalized backgrounds. As it stands currently, all of our artists are either disabled and/or gender/romantic/sexual minorities. Our collective is built on a solid foundation of diversity, equity, and inclusion. As such, we always create art from that lens. Additionally, we pledge ourselves to make our games accessible and inclusive for all players.

5. **Green is Gold** – There is only one Earth. We believe it is our responsibility to run the collective in a way that follows the principles of sustainability and environmentalism. Not only are we paperless, but we vocally stand in opposition to trends in the games development space (such as generative AI and NFTs) that do potentially irreversible harm to our planet. Additionally, we pledge to pursue carbon neutrality in our operations.

6. **Person Powered** – We believe that real art is made by human artists. We oppose the unethical use of generative AI in all of its forms. These models steal the labor of hard-working artists, devalue the creative process, and cause damage to our environment. This is something we cannot let stand.

7. **Open Source** – [Free and open-source software](#) (FOSS) is vital for, and the future of a healthy, functioning social internet. Open-source initiatives are a key part of the “[solidarity economy](#)” in which Wraith exists. Because of this, we work within and release content for open-source programs, platforms, and ecosystems as much as we can.

8. **Cross-Platform** – We want everyone to play our games. This is why we pledge to not only release on as many platforms as we reasonably can but also not engage with exclusivity deals.

9. **Independent. Really.** – We believe that being beholden to investors is a challenge to artistic clarity. We pledge to only engage with business deals that allow us to retain our intellectual property, maintain complete editorial control over our vision, and serve only our own artistic expression, not that of investors. Practically, this means we will not get into relationships with publishers or investors who aim to steer our art in their direction, instead, we look to grants and direct contributions from our audience for financial support.

10. **Community-focused** – We view it as our responsibility to be the change we want to see. It is our goal to spread our vision and our principles through not only the physical community we call home but also our broader artistic community of fellow creators. We pledge to use a portion of our funding to help uplift and support other creators and organizations that align with our vision who exist outside our collective. We also pledge to provide resources for those interested in joining our community, as that will only make it stronger.

WORKER COLLECTIVE

BYLAWS FOR WRAITH GAMES

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Originally prepared by the Green Collar Communities Clinic (GC3) of the East Bay Community Law Center (EBCLC) and by the Sustainable Economies Law Center (SELC) based on Bylaws created by Tim Huet of Arizmendi Association of Cooperatives and adapted by Jenny Kassan of K2 Law Group.

Adapted for use for Wraith Games by Jay Kidd with assistance from Millikin & Fitton Law Firm.

ARTICLE 1 - Membership

- 1.1 *Classes of Members.*** The Cooperative shall have one class of Members. The Cooperative shall have a minimum of two or more members.
- 1.2 *Becoming a Member.*** To become a Member of this Cooperative, a person must:
- a. Pay an Initial Capital Contribution; the amount of the Initial Capital Contribution will be determined by the Board of Directors;
 - b. Work for the Cooperative for 650 (six-hundred fifty) hours or 6 (six) months, whichever period is longer; this period of time is called the "Candidacy Period;"
 - c. Be approved by the existing Members, by means of the process described in Section 1.3; and
 - d. Receive a copy of the Cooperative's Disclosure Statement, Bylaws, and a receipt for payment of the Initial Capital Contribution.
- 1.3 *Acceptance of Members.*** The application review and approval process for a Prospective Member is as follows:
- a. The Board of Directors or an empowered hiring committee shall receive the membership application from a Prospective Member and shall submit it to the Members for approval.
 - b. The Members shall then decide by the decision-making process described in Section 5.1 whether to approve the application.
 - c. If the application is not approved, the applicant's employment shall be immediately terminated, unless the Members choose to specify a further Candidacy Period to be followed by a second decision of the Members on whether to approve the application.
 - d. Upon approval of the application, and meeting the qualifications listed in Section 1.2, the applicant shall immediately become a Member.
 - e. The Cooperative may waive the Candidacy Period and renew a former Member's Membership immediately by a 75 (seventy-five) percent vote of all the Members.
- 1.4 *Members May Not Transfer Their Memberships.*** No Member may transfer her or his Membership or any right arising from that Membership. Any attempted assignment or

transfer of Membership shall be void, and will not confer rights on the intended assignee or transferee.

ARTICLE 2 – Termination of Membership

2.1 *Resignation of a Member.*

1. Every Member has the right to resign from the Cooperative.
2. When a Member resigns from the Cooperative his or her Membership will be terminated.
3. To resign from the Cooperative, a Member must provide the Secretary of the Cooperative with a written notice of resignation. The resignation shall become effective immediately without any action on the part of the Cooperative. The individual who resigned from the Cooperative will not be allowed to work for the Cooperative for one month following voluntary termination of Membership unless her or his Membership is renewed by the Cooperative.
4. If a Member resigns, he or she is still responsible for any charges, dues, or other obligations that the Member owes to the Cooperative. The Cooperative shall still have the right to enforce any such obligation or obtain damages for its breach.

2.2 *Death of Member.* A Membership shall immediately terminate upon the death of a Member.

2.3 *Expulsion of a Member.* No Member may be expelled or suspended except according to procedures satisfying the requirements of this section:

- a. A Member may, for any lawful reason, be expelled from the Cooperative by a vote of 75 (seventy-five) percent or greater of the Members at a duly called meeting at which a quorum is present.
- b. The Member must be given 15 (fifteen) days' prior notice of the expulsion, suspension, or termination, and the reasons for that expulsion, suspension, or termination.
- c. The Member shall have an opportunity to be heard, orally or in writing, not less than five days before the effective date of expulsion, suspension, or termination, by a person or body authorized to decide that the proposed expulsion, termination, or suspension not take place.
- d. Any notice required under this section may be given by any method reasonably calculated to provide actual notice. Any notice given by mail must be given by first-class or registered mail sent to the last address of the Member shown on the Cooperative's records.
- e. A Member who is expelled or suspended shall be liable for any charges, dues, or other obligations incurred before the expulsion, suspension, or termination.

- f. The Cooperative may direct a Member whose expulsion is being considered to refrain from conducting business as a Member until the expulsion decision is made, provided the Cooperative pays the Member her or his average weekly wage or compensation – calculated based on the three months preceding the date of the notice given pursuant to this section – until the expulsion decision is made. The Cooperative may also direct a Member whose expulsion is being considered to stay away from the Cooperative’s places of business except as necessary to exercise her or his rights under law.

ARTICLE 3 – Member Meetings

3.1 *Distinction between Member Meetings and Director Meetings.* All Members are elected Directors of the Board when they become Members. The Board shall consist of not less than 5 (five) Directors, unless the number of Members is less than five, in which case, the number of Directors may equal the number of Members. Meetings of the Members in their capacity as Members shall be governed by this Article 3. Meetings of the Members in their capacity as Directors shall be governed by Article 4. Except as required by law or these Bylaws, votes are cast as Directors rather than as Members. The following acts require voting as Members, rather than as Directors:

- a. Acceptance of Members;
- b. Expulsion of Members;
- c. Election of Directors, if applicable; and
- d. Bylaw changes that would:
 - i. Materially and adversely affect the rights or obligations of Members as to voting, dissolution, redemption, transfer, distributions, patronage distributions, allocations, patronage, dividends, property rights, or rights to repayment of contributed capital;
 - ii. Increase or decrease the number of Members authorized in total or for any class;
 - iii. Effect an exchange, reclassification or cancellation of all or part of the Memberships;
 - iv. Authorize a new class of Memberships;
 - v. Specify or change the maximum or minimum number of Directors or change from a variable number of Directors to a fixed number;
 - vi. Increase the terms of Directors; and
 - vii. Increase quorum for meetings.

3.2 *Member Voting.*

- 1. Each Member will have one vote on each matter submitted for a vote.
- 2. If a vote requires that Members cast a written ballot, only Members that have been Members of the Cooperative for more than 10 (ten) days prior to the meeting date may be entitled to cast ballots.

3. Cumulative voting shall not be permitted for any purpose.
4. Proxy voting shall not be permitted for any purpose.
5. Unless otherwise specified, all votes shall be conducted using the modified consensus process in Article 5.

3.3 Annual Members Meeting.

1. The Annual Members Meeting shall be held on the first Thursday in November at 8:00 P.M. (EDT) at the Cooperative's main office.
2. At this meeting, the Members shall elect all of the Members to the Board (unless there are fewer than three Members in which case the Members shall elect the number of non-Member Directors required to bring the number of Directors to three). The Members shall also conduct any other proper business.
3. If the bylaws are amended to change from a variable to fixed number of Board Members (e.g., the Members vote to have seven Directors instead of having all Members serve as Directors), Board elections shall be held at the Annual Members Meeting, and these Bylaws shall be amended to provide for reasonable election procedures and procedures for the removal of Directors.
4. If the meeting falls on a holiday it should be held at the same time/place the following business day.

3.4 Special Member Meetings.

1. A call to hold special meetings of the Members for any lawful purpose may be petitioned to the Board by at least 20 (twenty) percent of the Members.
2. The procedure for calling a special Members meeting shall be as follows:
 - a. The person(s) requesting the special meeting shall submit a written request to the Cooperative addressed to the attention of the President or Secretary;
 - b. Within 20 (twenty) days after receipt, the President or Secretary shall cause notice to be given to the Members entitled to vote that a meeting will be held at a time fixed by the Board not less than 35 (thirty-five) nor more than 90 (ninety) days after the receipt of the request.
3. Special meetings shall be held at the principal office of the Cooperative.

3.5 Notice.

1. Whenever the Members are required to take any action at a meeting, a written notice of the meeting shall be given not less than 10 (ten) nor more than 90 (ninety) days before the date of the meeting to each Member who, on the record date for notice of the meeting, is entitled to vote.
2. The notice shall state the following:
 - a. Meeting place, date, and time of the meeting;
 - b. If applicable, the log-in or call-in information for telephone/video/web conference;
 - c. In the case of a special Members meeting, the general nature of the business to be transacted, and that no other business may be transacted, or

- d. In the case of the regular Members meeting, those matters which the Board intends to present for action by the Members. The notice of any meeting at which Directors are to be elected shall include the names of the nominees.
3. Notwithstanding the above, any of the following decisions, other than by unanimous approval by those entitled to vote, shall be valid only if the general nature of the proposal was stated in the notice of meeting or in any written waiver of notice:
 - a. Removal of Directors;
 - b. Election of a Director to fill a vacancy;
 - c. Approval of a contract or other transaction between the Cooperative and one or more of its Directors, or between the Cooperative and any corporation, firm, or association in which one or more of its Directors has a material financial interest or is a Director;
 - d. Amendment of the articles of incorporation; and
 - e. Approval of a plan of distribution upon winding up of the Cooperative.
4. Notice of a Members' meeting or any report shall be given personally, by electronic transmission, or by mail or other means of written communication, addressed to a Member at the address of such Member appearing on the books of the Cooperative or given by the Member to the Cooperative for purpose of notice.

3.6 *Members Entitled to Notice.* All Members shall be entitled to notice of any meeting.

3.7 *Meetings Held Without Proper Notice.*

- **Members not present:** The transactions of a meeting, whether or not validly called and noticed, are valid if a quorum is present and each of the absent Members who is entitled to vote, either before or after the meeting, signs either: a written waiver of notice, a consent to the holding of the meeting, or an approval of the minutes of the meeting. All waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meeting.
- **Members present:** A Member's attendance at a meeting shall constitute a waiver of notice of and presence at the meeting, unless the Member objects at the beginning of the meeting. However, attendance at a meeting is not a waiver of any right to object to the consideration of matter required to be included in the notice but not included, if an objection is made at the meeting.

3.8 *Use of Written Ballots at Meetings.*

1. Written ballots will be used for the election of Officers and may be used for Directors, when applicable. Written ballots may also be distributed for other matters if the Board authorizes.
2. Ballots for Officer and Director elections must:
 - a. Be distributed at least 10 (ten) days before the annual meeting;

- b. Include the names of all nominees; and
 - c. Include a space for write-in candidates.
- 3. Other written ballots must:
 - a. Describe the proposed action; and
 - b. Provide an opportunity to approve or disapprove of the proposed action.
- 4. All ballots shall specify:
 - a. The number of responses necessary to reach quorum; and
 - b. The deadline by which the ballot must be filled out and turned in, in order to be counted.
- 5. When ballots are distributed at a meeting, the number of Members voting shall be considered present for the purposes of determining quorum with respect to the specific actions in the ballot.

3.9 Quorum. A majority of Members shall constitute a quorum at a meeting of Members. When a quorum is present, proposals shall be adopted using the modified consensus process as described in Section 5.1, unless otherwise required in the Articles or Bylaws.

3.10 Loss of Quorum at a Meeting. If there is a quorum present at the beginning of a meeting and then some Members leave so that less than a quorum remains, the remaining Members may continue to conduct business, as long as any actions they take (other than adjournment) reflect consensus of, or when voting is called for, at least three-fourths of the Members required to constitute a quorum.

3.11 Adjournment for Lack of Quorum. In the absence of quorum, a majority of present Members can vote to adjourn the meeting, and no other business may be transacted, except as provided in Section 3.10 above.

3.12 Adjourned Meetings.

- 1. If a meeting is adjourned to a new time/place, Members may conduct any business at the new meeting that could have been conducted at the original meeting.
- 2. If the new meeting is announced at the original meeting, no additional notice is required. However, if the new meeting is more than 45 (forty-five) days after the original meeting or if a new record date is fixed for the adjourned meeting, notice of the new meeting must be given to each Member entitled to vote at that meeting.

3.13 Action Without Meetings.

- 1. Any action which may be taken at any regular or special Members meeting may be taken without a meeting if the Cooperative distributes a written ballot to every Member entitled to vote on that proposal.
 - a. Actions taken by Members in their capacity as Members shall require 60 (sixty) percent of the votes of the members who would be entitled to vote on the action at a meeting for such purpose."
 - b. Actions taken by Members in their capacity as Directors of the Board, or as a committee of the Board, shall require all of the Directors (or committee

- members), in a writing or writings signed by each of the Directors or committee members.
2. The written ballot shall set forth the proposal, provide the opportunity to specify approval or disapproval of the proposal, indicate the number of responses needed to meet quorum, the percentage of approvals necessary to pass the proposal; and provide a reasonable time within which to return the ballot.
 3. Approval under this section shall be valid only when:
 - a. The Cooperative receives within the specified timeframe a number of written ballots that is at least equal to the quorum required for a meeting; and
 - b. The number of approvals is at least equal to the number of approvals required at a meeting.
 4. The Secretary shall cause a vote to be taken by written ballot upon any action or recommendation proposed in writing by 20 (twenty) percent of the Members.

ARTICLE 4 – Director Meetings

4.1 *Directors and Board Composition.*

1. All Members shall serve on the Board of Directors.
2. Only Members shall serve on the Board.
3. The Board shall consist of not less than 5 (five) Directors, elected by and from the Members, unless the number of Members is less than 5 (five), in which case, the number of Directors may equal the number of Members.
4. The Board shall elect Officers.

4.2 *Terms of Directors.*

1. The term of office of the Directors shall be 1 (one) year or until the next Annual Member Meeting.
2. At each Annual Member Meeting, the Secretary will propose that all Members be elected as Directors. If this proposal fails, the Directors will continue to serve until the Bylaws are amended to provide for a smaller Board and/or a new election.
3. Notwithstanding the above, a person whose Membership is terminated shall immediately cease to be a Director.

4.3 *Director Voting.* Directors shall vote using the modified consensus process described in Section 5.1.

4.4 *Notice of Board Meetings.*

1. Regular meetings of the Board will be held the first Monday of every month at 8:00 P.M. (EDT) at the principal office of the Cooperative. If the day fixed for the regular meeting falls on a legal holiday, the meeting shall be held at the same time on the next day.

2. Special meetings of the Board shall be held upon 10 (ten) days' notice by first-class mail, delivered personally, by telephone, including a voice messaging system, or by electronic transmission by the Cooperative. A notice, or waiver of notice, need not specify the purpose of any regular or special meeting of the Board.
- 4.5 Waiver of Notice.** Notice of a meeting need not be given to any Director who provides a waiver of notice or consent to holding the meeting or an approval of the minutes in writing, whether before or after the meeting, or who attends the meeting without protesting the lack of notice to that Director. All waivers, consents, and approvals shall be filed with the corporate records or made a part of the minutes of the meetings.
- 4.6 Quorum.**
- a. A majority of Directors shall constitute a quorum for a Board meeting.
 - b. When a quorum is present, proposals shall be adopted using the modified consensus process as described in Section 5.1, unless otherwise required in the articles or bylaws.
- 4.7 Loss of Quorum at Meeting.** If there is a quorum present at the beginning of a meeting and then some Directors leave so that less than a quorum remains, the remaining Directors may continue to conduct business as long as any actions they take (other than adjournment) reflect consensus of, or when voting is called for, at least three-fourths of the Directors required to constitute a quorum.
- 4.8 Adjournment for Lack of Quorum.** In the absence of a quorum, a majority of present Directors can vote to adjourn the meeting. No other business may be transacted, except as provided in Section 4.7 above.
- 4.9 Adjourned Meetings.** A majority of the Directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. If the meeting is adjourned for more than 24 (twenty-four) hours, notice of any adjournment to another time or place shall be given prior to the time of the adjourned meeting to the Directors who were not present at the time of the adjournment.
- 4.10 Action Without Meeting.** The Board of Directors may take action without a meeting if all Directors individually or collectively consent in writing to the action. The written consents shall be filed with the minutes of the Board's meetings. Action by written consent has the same force and effect as a unanimous vote of the Directors.
- 4.11 Resignation.**
1. The only way that a Director may resign is by ceasing to be a Member, unless:
 - a. The provision of these Bylaws requiring that all Members serve on the Board is amended; or
 - b. There are fewer than three Members and there are non-Member Directors, in which case, such non-Member Directors may resign.

2. In a case where a Director may resign, the following procedure shall be followed:
 - a. A Director may resign effective upon giving written notice to the President, the Secretary of the Cooperative, unless the notice specifies a later time for the effectiveness of such resignation.
 - b. The Board shall then appoint a person to fill the vacancy and serve until the next Annual Members Meeting.

4.12 Removal.

1. So long as all Members are required by these Bylaws to serve on the Board, Directors may not be removed except if they cease to be Members.
2. Should the provision by which all Members constitute the Board be amended, the following shall apply:
 - a. The Board may declare vacant the office of a Director whose eligibility for election as a Director has ceased, or who has been declared of unsound mind by a final order of court, or convicted of a felony.
 - b. Any Member of the Cooperative may bring charges against an Officer or Director by filing them in writing with the Secretary of the Cooperative, together with a petition, signed by 20 (twenty) percent of the Members, requesting the removal of the Officer or Director in question. The removal shall be voted upon at the next regular or special meeting of the Members and, by a vote of a majority of the Members, the Cooperative may remove the Officer or Director and fill the vacancy. The Director or Officer against whom such charges are brought shall be informed in writing of the charges previous to the meeting and shall have an opportunity at the meeting to be heard in person or by counsel and to present witnesses, and the persons bringing the charges against the Director or Officer shall have the same opportunity.
 - c. Vacancies caused by removal may only be filled by approval of a majority of all Members.
3. Any reduction of the authorized number of Directors does not remove any Director prior to the expiration of the Director's term of office.

4.13 Empowered Committees.

1. The Board may establish committees through the decision-making process in Section 5.1. Each committee shall consist of 2 (two) or more Directors who serve at the pleasure of the Board.
2. An empowered committee shall have the same authority as the Board, except with respect to:
 - a. Approval of any action that by law requires approval by the majority of the Members;
 - b. Filling vacancies of the Board or any committee that has authority of the Board;
 - c. Fixing compensation of Directors for serving on the Board;
 - d. Amendment or repeal of the Bylaws or adoption of new Bylaws;

- e. Amendment or repeal of any resolution that the Board has expressly deemed not amendable or repealable;
- f. Establishment of committees of the Board or appointing Members to such committees;
- g. Expenditure of corporate funds to support a nominee for Director (if there are more people nominated for Director than open slots available).

ARTICLE 5 – Decision-Making Process

5.1 *Modified Consensus Decision-Making Process.*

- 1. Matters will be discussed with the goal of reaching consensus.
- 2. If consensus cannot be reached, Members will vote on whether the issue must be decided at the current meeting or can be tabled for future discussion.
- 3. If at least three-fourths of the quorum believe that an immediate decision is needed, voting will be held on proposals regarding the issue.
- 4. The proposals can then be carried by a three-fourths vote, except as otherwise provided in these bylaws.

ARTICLE 6 - Officers

6.1 *Titles of Officers.*

- 1. Officers of the Cooperative shall be:
 - a. A President,
 - b. A Secretary,
 - c. A Treasurer, and
 - d. Any other Officer with a title and duties determined by the Board
- 2. The President is the Chief Executive Officer of the Cooperative.
- 3. The Treasurer is the Chief Financial Officer of the Cooperative.
- 4. One person may hold any number of offices, except the President and Secretary shall not be the same person.

6.2 *Duties of Officers.*

- 1. Officers' duties include those duties:
 - a. Prescribed by law,
 - b. Granted by these Bylaws, and/or
 - c. Granted by resolutions of the Board.
- 2. The Secretary must ensure that the Cooperatives' records and reports are properly kept and filed.
- 3. The President shall take on the duties of the Secretary if the Secretary is unable or unwilling to do so.

6.3 *Nomination and Election of Officers.*

1. Any Member can nominate any Member, including himself/herself, for any office. Nominations shall take place at the Annual Member Meeting and at the preceding regular meeting.
2. Officers shall then be elected at the Annual Member Meeting by written ballot, to serve one-year terms. The candidate receiving the highest number of votes for an office shall be elected.

6.4 *Resignation or Removal of Officers.*

1. Any Officer may resign at any time with written notice to the Cooperative.
2. Any Member of the Cooperative may bring charges against an Officer or Director by filing them in writing with the Secretary of the Cooperative, together with a petition, signed by 20 (twenty) percent of the Members, requesting the removal of the Officer or Director in question. The removal shall be voted upon at the next regular or special meeting of the Members and, by a vote of a majority of the Members, the Cooperative may remove the Officer or Director and fill the vacancy. The Director or Officer against whom such charges are brought shall be informed in writing of the charges previous to the meeting and shall have an opportunity at the meeting to be heard in person or by counsel and to present witnesses, and the persons bringing the charges against the Director or Officer shall have the same opportunity.
3. Vacancies caused by removal may only be filled by approval of a majority of all Members.

ARTICLE 7 – Financial Provisions

7.1 *Fiscal Year.* The fiscal year of the Cooperative is January 1st through December 31st.

7.2 *Definitions.*

- a. “Surplus” shall be defined as the excess of revenues over Expenses for a fiscal year attributable to Member labor.
- b. “Profit” shall be defined as the excess of revenues over Expenses for a fiscal year attributable to non-Member labor.
- c. “Loss” shall be defined as the excess of Expenses over revenues for a fiscal year.
- d. Surplus, Profit, and Loss shall be determined on a tax basis. Surplus and Profit shall not include cash contributions by Members to capital.

- e. “Expenses” shall include Distributions paid pursuant to Section 7.6, payments of any interest and principal on any debts of the Cooperative, and reasonable reserves as determined by the Board of Directors.
- f. The “Collective Account” shall be Surplus, Profit, and reserves that are retained in the Cooperative and not distributed to Members.
- g. “Patronage” shall be defined as hours worked by each Member for the Cooperative.
- h. “Patronage Dividends” shall have the definition contained in Internal Revenue Code Section 1388(a) (dividends paid to Members based on Patronage).
- i. “Member Account” shall be defined as each Member’s capital account in the Cooperative (initial capital contribution plus written notices of allocation minus Distributions minus Losses plus/minus any other item that affects the balance in the Member’s capital account).
- j. “Distribution” means the distribution of interest on capital contributed, but does not include Patronage Dividends.

7.3 Allocations.

1. Any Profit shall be credited to the Collective Account.
2. Any Surplus shall be credited to the Collective Account as necessary to bring the year’s contribution to the Collective Account up to 25% of the year’s combined Profit/Surplus. All other Surplus shall be paid as Patronage Dividends in direct proportion to Patronage during the fiscal year.
3. Any Loss shall be allocated 75 (seventy-five) percent to Member Accounts in direct proportion to Patronage during the fiscal year and 25 (twenty-five) percent to the Collective Account, with the exception of Losses occurring and/or carried over from the Cooperative’s first two fiscal years, which shall be allocated 100 (onehundred) percent to the Collective Account.
4. The percentages referred to in this section can be changed for a coming fiscal year by the Board.

7.4 Patronage Dividends.

1. Patronage Dividends shall be made 50 (fifty) percent in cash and 50 (fifty) percent to each individual Member Account as a written notice of allocation, unless different proportions are approved by the Board within eight-and-a-half months of the fiscal year’s close – however, at least 20 (twenty) percent must be distributed in cash.
2. Patronage Dividends may be by qualified or non-qualified written notices of allocation or a combination of the two.

7.5 *Members' Covenant to Declare Income for Tax Purposes.* Each Member shall take into account on his or her income tax return any Patronage Dividends which are made in qualified written notices of allocation (as defined in 26 U.S.C. Section 1388) at their stated dollar amounts in the manner provided in 26 U.S.C. Section 1385(a) in the taxable year in which the Member receives such written notices of allocation.

7.6 *Distributions of Interest on Member Accounts.* The Cooperative may, by a decision of the Board, pay interest to Members on the Members Accounts. The interest may be paid in cash or as an additional credit to the Member Accounts. The rate of interest shall be determined by the Board, but may not, in one year, exceed 15 (fifteen) percent of each Member's contributed capital, which includes capital contributions, membership fees, and capital credits.

7.7 *Periodic Redemption of Member Accounts.*

1. The Cooperative shall aim to pay out in cash to the Members all funds credited to their Member Accounts within three years of the date they were first credited.
2. As a general rule, written notices of allocation credited to Member Accounts (including notices now converted to debt) will be paid out in the order in which they are credited, with the oldest paid out first. However, the Board can decide to accelerate the repayment of debt owed to former Members on a case-by-case basis.
3. If the Cooperative does not have sufficient funds to pay out all funds credited to Member Accounts for a given fiscal year, then funds will be paid out in proportion to the balance in the Member Accounts.

7.8 *Payment Rights Upon Membership Termination.*

1. When a Membership is terminated for any reason, including a Member's death, the amount in the Member Account will automatically be converted to debt owed to the former Member, or, if necessary, to the Member's estate, or to another assignee designated by the Member.
2. The Cooperative shall repay the debt within five years of the Membership termination, with interest accruing at the discount rate – as set by the Federal Reserve Bank of Cleveland – plus two percent, on the amount outstanding at the end of each fiscal year.
3. The Cooperative, in settling a Member Account, shall have the right to set off any and all indebtedness of the former Member to the Cooperative.

7.9 *Priority of Payments.* Notwithstanding anything else to the contrary in this Article, payments by the Cooperative shall be made in the following order of priority:

1. First, to make payments of any necessary expenses related to the operation of the cooperative, including wages, and payments of any interest and principal on any debts of the Cooperative,
2. Second, to pay Patronage Dividends to all eligible Members,
3. Third, to pay Distributions to all eligible Members, and

4. Fourth, to make periodic redemptions pursuant to Section 7.7.

7.10 Dissolution Distributions.

1. Upon liquidation, dissolution, or sale of the assets of the Cooperative, any assets left after payment of all debts and Member Account balances shall be distributed to all persons who are current or living past Members in proportion to the number of hours each Member worked during the time he or she was a Member of the Cooperative.
2. No distribution need be made to any person who fails to acknowledge the receipt of notice of liquidation in a timely manner. Said notice shall be deemed sufficient if sent by certified mail, at least 30 (thirty) days before distribution of any residual assets, to the person's last known business or residence address.

7.11 Unclaimed Equity Interests. Any proprietary interest in the Cooperative held by a Member that would otherwise escheat to the State of Ohio as unclaimed personal property shall instead become the property of the Cooperative if the Cooperative gives at least 60 (sixty) days prior notice of the proposed transfer to the affected Member by (1) first-class or second-class mail to the last address of the Member shown on the Cooperative's records, and (2) by publication in a newspaper of general circulation in the county in which the Cooperative has its principal office. No property or funds shall become the property of the Cooperative under this section if written notice objecting to the transfer is received by the Cooperative from the affected Member prior to the date of the proposed transfer.

ARTICLE 8 – Corporate Records and Reports

8.1 Records Required to Be Kept. The Cooperative shall keep at its principal office:

1. The original or a copy of its Articles and Bylaws as amended to date;
2. Adequate and correct books and records of account;
3. Minutes of the proceedings of its Members, Board, and committees of the Board;
and
4. A record of its Members, providing their names and addresses.

Minutes and other books and records shall be kept either in written form or in any other form capable of being converted into clearly legible tangible form or in any combination of the foregoing.

8.2 Inspection Rights.

1. The Cooperative's Bylaws and Articles shall be open to inspection by the Members at all reasonable times during office hours.
2. Any such inspection may be made in person or by agent or attorney and the right of inspection includes the right to copy and make extracts.

3. The accounting books and records and minutes of proceedings of the Members and the Board and committees of the Board shall be open to inspection upon the written demand on the Cooperative of any Member at any reasonable time, for a purpose reasonably related to such person's interests as a Member.
4. Every Director shall have the absolute right at any reasonable time to inspect and copy all books, records and documents of every kind and to inspect the physical properties of the Cooperative.

8.3 Annual Report.

1. The annual report shall be prepared no later than 120 (one hundred-twenty) days after the close of the Cooperative's fiscal year and shall be distributed to Members at or before their next meeting.
2. The annual report shall contain in appropriate detail:
 - a. A balance sheet as of the end of the fiscal year;
 - b. An income statement;
 - c. A cash flow statement of the fiscal year;
 - d. A statement of where the names and addresses of current Members are located; and
 - e. An annual statement of transactions and indemnifications to "interested persons" as defined by law.
3. For fiscal years in which the Cooperative has (at any given time) over 25 (twenty-five) Members, the Cooperative shall notify each Member of his/her right to receive an annual financial report.
4. The annual report shall be accompanied by any pertinent report by independent accountants.
5. If there is no such report from an independent accountant, an authorized Officer of the Cooperative shall certify that the annual report was prepared from the books and records of the Cooperative, without audit.

ARTICLE 9 - Indemnification

- 9.1 Indemnification.** The Cooperative shall have the power to indemnify its Officers, Directors, Members, employees, and agents to the fullest extent permitted by law.

ARTICLE 10 – Bylaws Changes

- 10.1 Bylaws Changes.** The Bylaws can be changed only by a vote as Members in the circumstances defined in Section 3.1.d. All other Bylaws changes can be effected by a two-thirds vote of the entire Board.

Certificate of Secretary

This document was last revised on 6/1/25 at 2:20 PM EDT

I certify that I am the duly elected and acting Secretary of **Wraith Games** that these Bylaws, consisting of **16 (sixteen)** pages, are the Bylaws of this cooperative as adopted by the Members on _____, 2025, and that these Bylaws have not been amended or modified since that date.

Executed on _____, 2025 at _____, in Hamilton, Ohio, by

ENTER NAME, Secretary

WORKER COLLECTIVE
MEMBERSHIP AGREEMENT
FOR WRAITH GAMES

This document was last revised on 6/1/25 at 3:49 PM EDT

Rights as a member of the Collective

As a member of the Collective, I am *entitled* to:

1. Have one vote at general and other co-op meetings and receive proper notice of meetings
2. Serve on a committee or run for a position on the board of directors
3. Participate in the Collective's operations and governance
4. Raise concerns or issues I identify with the Collective
5. Receive information about the Collective's financial status and other important processes or decisions (e.g. resolutions).
6. Receive patronage rebates in accordance with my use of the Collective
7. Receive dividends on shares held in the Collective
8. Responsibilities as a member of the Collective

As a member of the Collective, I have a *responsibility* to:

1. Participate in the governance of the Collective through attendance of general meetings, voting on decisions, asking questions, and participating on boards and committees
2. Support the mission, vision, and goals of the Collective
3. Adhere to the policies and procedures of the Collective set out in the organizational documents and created by the board
4. Support the Collective's operations by using its services or contributing to the delivery of services
5. Learn more about the Collective's operations and organizational capacity
6. Support the capitalization of the Collective by making a financial contribution
7. Obligations of the Collective to Members
8. Have and shall maintain a constant review and understanding of ORC §1729.23 (Standard of care for directors), §1729.24 (Effect of self-dealing), §1729.25 (Liability of members, directors, officers), and §1729.68 (Prohibited acts – injunctive relief)

As a member of the Collective, I understand that the Collective is *obligated* to:

1. Provide notice of meetings and information on ways that I can participate in the Collective's governance
2. Maintain a transparent and efficient system of decision-making that is inclusive of the membership and supportive of the mission and vision of the Collective
3. Conduct business, through the board or staff, that is in the best interest of the Collective and its members
4. Use my financial contribution effectively and responsibly and redeem my shares in the event I leave the Collective

Having read and understood the above, I hereby agree to the following terms of Membership:

1. **Membership.** I hereby apply to be a Member of **Wraith Games** (hereinafter, the “Collective”), a legal entity incorporated and doing business under the laws of the State of Ohio and operating on a cooperative basis.
2. **Articles & Bylaws.** I acknowledge receipt of a copy of the Articles of Incorporation (hereinafter the “Articles”) and the bylaws (hereinafter the “Bylaws”) of the Collective. I agree to abide by the provisions of the Articles and Bylaws and hereby approve and ratify the Articles and Bylaws. Capitalized terms used in this agreement have the same meaning as in the Bylaws.
3. **Membership Share.** I agree to pay to the Collective a Membership Fee of dollars (\$2000 USD) as consideration for receipt of a Membership Share, issued to me by the Collective in accordance with the Articles and Bylaws. I understand that my Membership Share is not transferable, and I agree not to sell, assign any interest in, or otherwise transfer my Membership Share, except as provided herein.
4. **Membership Eligibility and Voting.** I agree to patronize the Collective through provision of my labor and, during the period of my Membership, to satisfy the eligibility criteria for Members determined in accordance with the Articles and Bylaws. I understand that I will be entitled to one vote in any matter requiring voting by Members.
5. **Patronage Allocations.** I understand that the Collective may allocate a portion of its annual net income or loss to the Members and that I will receive such allocations, if any, on the basis of patronage and at the discretion of the Board of Directors. In any proportions determined by the Board of Directors, such allocations may be in cash or in the form of Written Notices of Allocation credited to my Internal Capital Account and redeemed in cash at a future date.
6. **Distributions & Losses.** I understand that my Membership Fee and any Written Notices of Allocation are subject to loss and will be repaid to me only in such amounts, at such times, and in accordance with terms as determined by the Board of Directors pursuant to the Articles and Bylaws.
7. **Termination.** I agree that, upon the voluntary or involuntary termination of my employment and Membership in the Collective, I will transfer my Membership Share back to the Collective for the consideration, if any, determined in accordance with the Articles and Bylaws. I understand that allocations of annual net income and loss to the Members may increase or decrease the consideration that I will receive for my Membership Share upon termination. I understand that such consideration may be paid over a period of time determined by the Board of Directors in accordance with the Articles and Bylaws.
8. **Taxation.** I agree to include in my taxable income the stated dollar amount of any Qualified Written Notices of Allocation that I receive and to satisfy any federal and state income tax obligations imposed on those amounts under the tax laws.

9. **Non-Exclusivity.** I acknowledge that nothing herein is intended nor shall be construed as creating any exclusive arrangement between the Collective and its Members. This Agreement shall not restrict either party from acquiring similar, equal, or like agreements from other entities or sources insofar as these agreements do not violate the Articles and Bylaws.
10. **Non-disclosure.** I agree not to disclose publicly, or privately, in part or in whole, any assets (*such as but not limited to: concepts, art assets, programming, networking, written word, design elements, and/or other works*), methods (*such as, but not limited to techniques, engines, programs, and/or trade secrets*), and/or operations (*such as, but not limited to dealings, finances, organization, structure, or contracts*) in relation to the Collective or others (*such as, but not limited to Members, employees, contractors, interns, volunteers, consultants, partners, or other outside individuals*) involved in projects, operations, or any other venture related to the Collective implicitly, explicitly, or theoretically without the express written consent of the Board of Directors across any period before, during or after the date of this agreement.
11. **Operating Rules.** I acknowledge receipt of the Operating Rules of the Collective and agree to adhere to all policies contained therein.
12. **Withdrawal.** I understand that I may at any time withdraw my labor and terminate my Membership in the Collective; provided, however, that I agree to be bound by any terms and conditions in the Articles, the Bylaws, the Operating Rules, or this agreement.

Declaration

I _____ understand the rights and responsibilities of membership in the Collective and agree to them.

Signature: _____ Date: _____

Name (*Print*): _____

Address: _____

Phone: _____

E-mail: _____

The foregoing application and agreement is hereby accepted on behalf of **Wraith Games** by the undersigned duly authorized officer, subject to the terms and conditions hereof.

Board member: _____ Date: _____