

**THE QUEEN'S BENCH
WINNIPEG CENTRE
IN BANKRUPTCY AND INSOLVENCY**

IN THE MATTER OF: The *Bankruptcy and Insolvency Act* R.S.C. 1985, c. B-3, as amended

AND IN THE MATTER OF: The Proposal of 5274398 Manitoba Ltd.

ORDER APPROVING PROPOSAL

LAZER GRANT INC.
Licensed Insolvency Trustee
300 – 309 McDermot Avenue
Winnipeg, Manitoba
R3A 1T3
204-942-0300

**THE QUEEN'S BENCH
WINNIPEG CENTRE
IN BANKRUPTCY AND INSOLVENCY**

THE HONOURABLE)
) Friday, the 2nd day of March, 2018
MR. JUSTICE DEWAR)

IN THE MATTER OF: The *Bankruptcy and Insolvency Act* R.S.C. 1985, c. B-3, as amended

AND IN THE MATTER OF: The Proposal of 5274398 Manitoba Ltd.

ORDER APPROVING PROPOSAL

THIS MOTION made by Lazer Grant Inc., acting in its capacity as Proposal Trustee (the “**Proposal Trustee**”) *in re* the Proposal of 5274398 Manitoba Ltd. operating as Cross Country Manufacturing (the “**Debtor**”), for an Order approving the Proposal of the Debtor pursuant to section 59 of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3 as amended (the “**BIA**”), was heard this day at the Law Courts Building, 408 York Avenue, Winnipeg, Manitoba.

ON READING the Proposal, the Report of Trustee on Proposal dated the 20th day of February, 2018, the Reports of the Proposal Trustee filed September 6, 2017, September 15, 2017, October 11, 2017, November 10, 2017, December 4, 2017 and December 5, 2017, the Affidavits of Jonathan Doerksen filed September 5, 2017, September 7, 2017, and December 1, 2017 and the Affidavits of Samantha Dunn filed September 6 and 13, 2017, and on hearing the submissions of counsel for the Proposal Trustee and counsel for the Debtor, no one appearing for

any other person although properly served as appears from the Affidavits of Service sworn the 15th day of February, 2018 and the 21st day of February 2018.

1. THIS COURT ORDERS THAT service of the Notice of Motion and materials filed in support of the Notice of Motion herein be validated and approved and, if necessary, that the time for service be abridged, such that this Motion is properly returnable on this day and further service is hereby dispensed with.

2. THIS COURT ORDERS AND DECLARES THAT the meeting of the unsecured creditors of the Debtor on February 6, 2018 (the “**Creditor Meeting**”), held for the purposes of considering and voting upon the Proposal, was duly convened and held in conformity with the BIA.

3. THIS COURT ORDERS AND DECLARES THAT the Proposal, a true copy of which is attached to this Order as Appendix 1:
 - a. has been duly accepted by the required majority of creditors of the Debtor who are affected by the Proposal and who were entitled to vote at the Creditor Meeting, in conformity with section 54(2)(d) of the BIA;
 - b. is fair and reasonable;
 - c. is calculated to benefit the general body of the Debtor’s creditors; and
 - d. is made in good faith.

4. THIS COURT ORDERS AND DECLARES THAT no offence nor fact has been proved to justify the Court in withholding its approval of the Proposal.

5. THIS COURT ORDERS THAT the Proposal be and is hereby approved and sanctioned pursuant to the provisions of the BIA.

6. THIS COURT ORDERS THAT the Proposal Trustee and the Debtor are hereby authorized and empowered to take all actions and steps necessary or appropriate to implement and complete the Proposal, including authorization and direction to make all payments and distributions required to be made pursuant to the Proposal.

7. THIS COURT ORDERS AND REQUESTS the aid and recognition of any court or any judicial, regulatory or administrative body in any province or territory of Canada (including the assistance of a court in Canada pursuant to section 188 (2) of the BIA) and the Federal Court of Canada and any judicial, regulatory or administrative tribunal or other court constituted pursuant to the Parliament of Canada or the legislature of any province and any court or any judicial or regulatory body of any other nation or state, to act in aid of and to be complementary to this Court in carrying out the terms of this Order.

Mar. 12, 2018

DEWAR J.

File No. BK 17-01-04509

**THE QUEEN'S BENCH
WINNIPEG CENTRE
IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE *BANKRUPTCY
AND INSOLVENCY ACT, R.S.C. 1985,*
c. B-3, AS AMENDED**

**AND IN THE MATTER OF THE PROPOSAL OF
5274398 MANITOBA LTD.**

PROPOSAL

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File No. 1702631

**THE QUEEN'S BENCH
WINNIPEG CENTRE
IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE *BANKRUPTCY
AND INSOLVENCY ACT, R.S.C. 1985,*
c. B-3, AS AMENDED**

**AND IN THE MATTER OF THE PROPOSAL OF
5274398 MANITOBA LTD.**

PROPOSAL

**ARTICLE 1
INTERPRETATION**

1.1 Definitions

For all purposes relating to the present Proposal, the following terms shall have the following meanings:

- a) **"Basket Amount"** means the fixed amount of the payment to be advanced by Cross Country for distribution in accordance with this Proposal;
- b) **"BIA"** means the *Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended*;
- c) **"Business Day"** means any day except Saturday, Sunday or any day on which banks are generally not open for business in The City of Winnipeg, Manitoba;
- d) **"Claim" or "Claims"** means any right of any Person against Cross Country in connection with any indebtedness, liability or obligation, including claims that are liquidated, unliquidated, fixed, contingent, matured, unmatured, legal, equitable, present, future, known, unknown, disputed, undisputed or whether by guarantee, by surety, by nature;
- e) **"Court"** means the Manitoba Court of Queen's Bench;
- f) **"Creditor"** means a Person having a claim provable as a claim under the BIA;

- g) **"Creditors' Meeting"** means the meeting of Unsecured Creditors to be held on February 6, 2018, for the purpose of considering and voting upon this Proposal, and any adjournment of such meeting;
- h) **"Cross Country"** means 5274398 Manitoba Ltd.;
- i) **"Crown"** means Her Majesty in right of Canada or a Province of Canada;
- j) **"Crown Claims"** means all Claims of the Crown described in Section 60(1.1) of the BIA, that were outstanding on the Filing Date, as accepted by the Trustee or approved by the Court;
- k) **"Disputed Claim"** means any Claim which has been received by the Trustee in accordance with the terms of this Proposal and the BIA but has not been accepted as proven or which is being disputed in whole or in part by the Trustee, or any other person entitled to do so and has not been resolved by agreement or by Order of the Court;
- l) **"Disputed Creditor"** means a Person holding a Disputed Claim to the extent of its Disputed Claim;
- m) **"Effective Date"** has the meaning ascribed to it in Section 6.3 hereof;
- n) **"Employee Claims"** means Claims of the employees of Cross Country to be paid under Section 60(1.3) of the BIA;
- o) **"Filing Date"** means August 11, 2017, the date of the filing by Cross Country of the Notice of Intention to Make a Proposal ("**NOI**");
- p) **"Floor Creditors' Claims"** has the meaning ascribed to it in Section 3.2(d)(i) hereof;
- q) **"Inspectors"** means one or more inspectors appointed pursuant to the BIA and as provided for in the Proposal;
- r) **"Official Receiver"** means the officer appointed pursuant to Section 12(2) of the BIA;
- s) **"Ordinary Unsecured Claims"** means all Claims of every nature and kind whatsoever as at the Filing Date, whether due or not due for payment as at the Filing Date, including, without limitation, any contingent and unliquidated Claims (once quantified) and any unsecured portion of a Claim held by a Secured Creditor, but excluding (i) Claims of Unaffected Creditors; (ii) Secured Claims; (iii) Crown Claims; (iv) Preferred Claims; and, (v) Professional Fees;
- t) **"Ordinary Unsecured Creditor"** means a Person holding an Ordinary Unsecured Claim, to the extent of its Ordinary Unsecured Claim;

- u) **"Person"** is to be broadly interpreted and includes an individual, a corporation, a partnership, a trust, an unincorporated organization, the government of a country or any political subdivision thereof, or any agency or department of any such government, and the executors, administrators or other legal representatives of an individual in such capacity;
- v) **"Post-Filing Claims"** means any Claim that becomes a Claim after the Filing Date, including, without limiting the foregoing, Claims arising in respect of services rendered, goods supplied, goods provided under a consignment arrangement, or other consideration given to Cross Country after the Filing Date;
- w) **"Preferred Claims"** means any Claim, including any Employee Claim, as described in Sections 136(1)(a) through 136(1)(j) of the BIA, being such Claims as are directed by the BIA to be paid in priority to all Ordinary Unsecured Claims in the distribution of the property of Cross Country;
- x) **"Professional Fees"** means all proper fees, expenses, liabilities and obligations of the Trustee and the fees and expenses for legal, accounting and consulting services provided to Cross Country for and incidental to the proceedings arising out of the Proposal, including, without limitation, advice to Cross Country in connection with the Proposal;
- y) **"Proof of Claim"** means the form delivered by the Trustee to Creditors of Cross Country in accordance with the BIA;
- z) **"Proposal"** means this Proposal, as varied, amended, modified or supplemented in accordance with the provisions hereof and the BIA;
- aa) **"Proposal Approval Order"** means an order from the Court, in form and substance satisfactory to Cross Country and the Trustee approving and sanctioning this Proposal in accordance with the provisions hereof and of the BIA;
- bb) **"Proven Unsecured Claim"** means the amount or any portion of the amount of the Unsecured Claim of an Unsecured Creditor as agreed by the Trustee or finally determined for distribution purposes in accordance with the provisions of the BIA or any applicable orders from the Court;
- cc) **"Related Persons"** means Jon Doerksen, Doug Doerksen, Tim Klassen and Maintenance Welding Products (1986) Ltd.;
- dd) **"Required Majority"** means a majority in number and two-thirds in value of all Claims of Creditors entitled to vote and who are present and voting at the Creditors' Meeting (whether in person, by proxy or by voting letter) in accordance with the voting procedures established by this Proposal and the BIA. The creditors entitled to vote at the Creditors' Meeting shall be the Unsecured Creditors;

- ee) **"Secured Claims"** means the Claims of the Secured Creditors, to the extent of the value of the security held by the Secured Creditors, as accepted by the Trustee or approved by the Court. Each Secured Creditor is entitled to file an Unsecured Claim to the extent that its Claim exceeds the value of the security it holds;
- ff) **"Secured Creditors"** means:
 - i Bank of Montreal;
 - ii Business Development Bank of Canada;
 - iii Blue Chip Leasing Corporation; and
 - iv Royal Bank of Canada.
- gg) **"Trustee"** means Lazer Grant Inc., in its capacity as trustee to the NOI and not in its personal capacity;
- hh) **"Trustee's Certificate"** has the meaning ascribed to it in Section 6.3 hereof;
- ii) **"Unaffected Creditors"** means those Secured Creditors noted to be Unaffected Creditors and those Persons having Post-Filing Claims;
- jj) **"Unsecured Claims"** means Ordinary Unsecured Claims and Preferred Claims;
- kk) **"Unsecured Creditors"** means Creditors holding an Unsecured Claim, to the extent of such Unsecured Claim;
- ll) **"Unsecured Creditors Class"** means all Unsecured Creditors who are grouped together for the purposes of considering and voting on this Proposal in accordance with the provisions of this Proposal and the BIA.

1.2 Date of Any Action

In the event that any date on which any action is required to be taken under this Proposal by any of the parties is not a Business Day, the action shall be required to be taken on the next day which is a Business Day.

1.3 Time

All times expressed in this Proposal are local time Winnipeg, Manitoba, Canada, unless stipulated otherwise. Time is of the essence in this Proposal.

1.4 Statutory References

Any reference in this Proposal to a statute includes all regulations made thereunder and all amendments to such statutes or regulations in force from time to time.

1.5 Monetary References

All references to currency and to "\$" are to Canadian dollars, unless otherwise indicated.

ARTICLE 2 GENERAL INTENT

2.1 Effect of Proposal

This Proposal provides for the restructuring of the liabilities of Cross Country through distribution to Unsecured Creditors of a monetary payment that will be provided to the Trustee by Cross Country and distributed by the Trustee in accordance with the terms of this Proposal in full and final satisfaction of all Claims (other than claims of the Unaffected Creditors) against Cross Country.

2.2 Persons Affected

This Proposal will, as of the Effective Date be binding on Cross Country and all Creditors other than Unaffected Creditors.

2.3 Post-Filing Claims

Post-Filing Claims will be paid in full by Cross Country in the ordinary course of business and on regular trade terms, or as may otherwise be arranged with the holders of such Post-Filing Claims. For clarity, Post-Filing Claims are not payable from the Basket Amount.

2.4 Secured Claims

The Unsecured Claim portion of any Secured Claim is entitled to be voted in the Unsecured Creditors Class.

This Proposal is not, and shall not be, made in respect of the Unaffected Creditors, whose claims will be dealt with in the ordinary course based on existing or otherwise mutually agreeable arrangements.

ARTICLE 3 PROPOSAL

3.1 Proposed Payments

In addition to the funds currently being held by the Trustee in the approximate amount of \$282,270.00 (two hundred eighty-two thousand, two hundred seventy dollars) for payment towards Claims of Canada Revenue Agency (included in Crown Claims), Cross Country or any other party on behalf of Cross Country shall remit to the Trustee, the total sums set out below (the "**Basket Amount**"), on the following basis:

- a) within 5 (five) days of the issuance of the Proposal Approval Order, the total sum necessary to pay all Employee Claims;
- b) within 180 (one hundred eighty) days of the issuance of the Proposal Approval Order, the total sum of \$150,000 (one hundred fifty thousand dollars) or such greater sum as may be required to pay all Crown Claims after the application of the said sum of \$282,270.00 (two hundred eighty-two thousand, two hundred seventy dollars); and
- c) the total sum of \$1,200,000.00 (one million two hundred thousand dollars), by means of payment of 12 equal installments of \$100,000.00 (one hundred thousand dollars) each, commencing on the last day of the fourth full calendar month following the expiration of the period described in subsection 3.1(b) hereof, and continuing on the last day of each consecutive fourth calendar month thereafter, until paid in full.

3.2 Distributions

The Basket Amount will be free and clear of all charges and, subject to the terms and conditions set forth in this Proposal, will be distributed as follows and in the following priority:

- a) Professional Fees: Professional Fees of the Trustee subsequent to the filing of this Proposal will be paid in full as they become due in priority to the Unsecured Claims and will be paid out of the Basket Amount. Professional Fees up to and including the day of the filing of this Proposal and Professional fees of counsel to Cross Country will be paid in full by Cross Country as they become due and will be treated as Post-Filing Claims;
- b) Crown Claims: The Crown Claims, without interest, will be paid in full out of the Basket Amount within 180 (one hundred eighty) days after issuance of the Proposal Approval Order, or as may otherwise be arranged with the Crown;

- c) Preferred Claims: The Preferred Claims, without interest, will be paid in full out of the Basket Amount, in priority to the Ordinary Unsecured Claims, after issuance of the Proposal Approval Order. Employee Claims will be paid in full within 10 (ten) days after the issuance of the Proposal Approval Order out of the Basket Amount. Remaining Preferred Claims will be paid as funds are available;
- d) Ordinary Unsecured Claims: Ordinary Unsecured Creditors who are the holders of Proven Unsecured Claims ("**Proven Ordinary Unsecured Claims**"), other than Related Persons, will receive, from the Basket Amount, after payment of the Professional Fees, Crown Claims, and, Preferred Claims, the following amounts, as agreed by the Trustee or finally determined for distribution purposes in accordance with the provisions of the BIA or any applicable orders from the Court:
 - i Firstly, each Ordinary Unsecured Creditor who holds a Proven Ordinary Unsecured Claim equal to or less than \$2,000.00, including those Ordinary Unsecured Creditors that choose to reduce their Proven Ordinary Unsecured Claim to \$2,000.00 (collectively "**Floor Creditors' Claims**"), shall be entitled to receive a dividend equal to the lesser of \$2,000.00 and the amount of such Creditor's Proven Ordinary Unsecured Claim;
 - ii Secondly, each Ordinary Unsecured Creditor who holds a Proven Ordinary Unsecured Claim in an amount in excess of \$2,000.00 (and who has not chosen to reduce its Proven Ordinary Unsecured Claim to \$2,000.00), shall be entitled to receive a dividend equal to its *pro-rata* share, measured in relation to all Proven Ordinary Unsecured Claims, from the available Basket Amount of funds;
 - iii All dividends paid are subject to the Superintendent's Levy payable in respect thereof as required by the BIA.

Distributions in respect of Ordinary Unsecured Claims shall be made from time to time, subject to the discretion of the Inspectors (if any) when funds of not less than \$300,000.00 (three hundred thousand dollars) are available for distribution.

ARTICLE 4 CLASSIFICATION OF CREDITORS, VALUATION OF CLAIMS AND RELATED MATTERS

4.1 Unaffected Creditors

This Proposal is not being made to the Unaffected Creditors and does not impact their claims. Claims of Unaffected Creditors shall be dealt with in accordance with the agreements between the respective Unaffected Creditors and Cross Country or as otherwise agreed between the respective Unaffected Creditors and Cross Country.

4.2 Classes of Creditors

For the purpose of voting on the Proposal, the Unsecured Creditors of Cross Country shall comprise one class, being the Unsecured Creditors Class.

4.3 Filing Proofs of Claim

Each Unsecured Creditor must file a Proof of Claim to vote on, or to receive a distribution under, the Proposal.

4.4 Allowance or Disallowance of Claims by Trustee

Upon receipt of the completed Proofs of Claim, the Trustee shall examine the Proof of Claim and shall deal with each Claim in accordance with the provisions of the BIA. The Trustee shall have the power and authority to determine the validity of all Claims made against Cross Country.

4.5 Claims Bar Process

Promptly after the Proposal Approval Order, the Trustee shall give notice pursuant to Section 149 of the BIA to every Person with a Claim (other than Unaffected Creditors) of which the Trustee has notice or knowledge but whose Claim has not been filed or proved advising that if such Person does not prove its Claim within a period of thirty (30) days after the sending of the notice (the "**Claims Bar Date**"), the Trustee will proceed to declare future dividends or final dividends without regard to such Person's Claim.

Subject to any exceptions set out in Sections 149(2), (3) and (4) of the BIA, any Person so notified that does not provide its Claim (other than Unaffected Creditors) by the Claims Bar Date shall be barred from making a Claim in this Proposal or sharing in any dividend hereunder, and such Claim shall be forever barred, extinguished and released as against Cross Country.

4.6 Creditors' Meeting, Proxies and Voting Letters

Proxies as provided for in the BIA indicating a Person authorized to act on behalf of an Unsecured Creditor may be submitted to the Trustee at, or any time prior to, the commencement of the Creditors' Meeting. Voting letters as provided for in the BIA submitted to the Trustee prior to the Creditors' Meeting must indicate whether the Unsecured Creditor wishes to cast its vote in favour of, or against, the Proposal. Persons in attendance at the Creditors' Meeting shall cast their votes in the manner prescribed by the chair of the Creditors' Meeting ("**Chair**") and the BIA. All votes will be

recorded and tabulated by the Chair, who may seek the assistance of the Court with respect to any dispute arising from or out of the tabulation of votes. A quorum shall be constituted for the Creditors' Meeting or any adjournment thereof if there is one Unsecured Creditor, entitled to vote, present in person or by proxy or if one Unsecured Creditor, entitled to vote, has submitted a voting letter in accordance with the provisions of the BIA and this Proposal. If the requisite quorum is not present at the Creditors' Meeting or if the Creditors' Meeting has to be postponed for any reason, then the Creditors' Meeting shall be adjourned by the Chair to such date, time and place as determined by the Chair.

4.7 Claims for Voting Purposes

Each Unsecured Creditor shall be entitled to a single vote valued at the amount of its Proven Unsecured Claim. If the amount of the Unsecured Claim of a Disputed Creditor is not finally determined prior to the date of the Creditors' Meeting, the Disputed Creditor shall be entitled to vote at the Creditors' Meeting on the portion of its Unsecured Claim, if any, that has been accepted by the Trustee for voting purposes without prejudice to the rights of Cross Country.

4.8 Approval by Unsecured Creditors

In order that the Proposal be binding on the Creditors of Cross Country in accordance with the BIA, it must first be accepted by the Unsecured Creditors by majority in number of the Unsecured Creditors who actually vote upon the Proposal (in person or by proxy) at the Creditor's Meeting or by a Voting Letter, representing two-thirds in value of the Proven Unsecured Claims of the Unsecured Creditors who actually vote upon the Proposal (whether in person or by proxy) at the Creditor's Meeting or by a Voting Letter.

4.9 Modification of the Proposal

Subject to the consent of the Trustee, at any time prior to the Creditors' Meeting, Cross Country reserves the right to file any modification, amendment or supplement of and to the Proposal, by way of an amended proposal, and file such amended proposal with the Official Receiver as soon as practical, in which case any such amended proposal or proposals shall, for all purposes, be and be deemed to be part of and incorporated into the Proposal. At the Creditors' Meeting, the Trustee shall provide all Unsecured Creditors in attendance with details of any modifications or amendments of and to the Proposal prior to the vote being taken to approve the Proposal. After the Creditors' Meeting (and both prior to and subsequent to the Proposal Approval Order) and subject to the consent of the Trustee, Cross Country may at any time and from time to time vary, amend, modify or supplement the Proposal if the Court determines that such variation, amendment, modification or supplement is of a minor, immaterial or technical nature or would not be materially prejudicial to the interest of any of the Unsecured

Creditors under the Proposal and is necessary in order to give effect to the substance of the Proposal or the Proposal Approval Order.

4.10 Inspectors

Cross Country agrees to the formation of a committee of up to five (5) individuals ("**Inspectors**") to be named by the Creditors at the Creditors' Meeting called to consider the Proposal.

The powers and duties of the Inspectors contemplated herein shall be as follows:

- a) To approve any interim and/or final statement of receipts and disbursements, including payment of dividends and the Trustee's accounts from the Basket Amount;
- b) To advise the Trustee in connection with its actions under the Proposal, as the Trustee may from time to time request;
- c) To advise the Trustee concerning any dispute which may arise as to the validity of Claims under the Proposal;
- d) To receive reports regarding the operations of Cross Country, upon request and only through the Trustee, acting in his capacity;
- e) To waive any default in the performance of the Proposal.

Any decision, direction or act of the Inspectors may be referred to the Court by the Trustee and the Court may confirm, reverse or modify the decision, direction or act and make such Orders it thinks fit.

The authority and term of office of the Inspectors will terminate upon the discharge of the Trustee.

ARTICLE 5 RELEASE

5.1 Release in Favour of Cross Country

On the Effective Date, other than the claims of Unaffected Creditors, all Claims shall, as against Cross Country, be deemed to be fully and finally satisfied, settled and discharged and no Creditor having such a Claim shall have any further right, remedy or Claim against Cross Country.

5.2 Release in Favour of the Directors

In accordance with Section 50(13) of the BIA, the acceptance of the Proposal by the Creditors affected by this Proposal shall, on the Effective Date, release definitively the directors and officers of Cross Country from any and all claims, liability or obligation for which they may be liable by law in their capacity as directors or officers, in respect of any debt of Cross Country which arose before the Filing Date, except for claims that relate to contractual rights of one or more creditors arising from contracts with one or more directors or officers or claims that are based on allegations of misrepresentation made by directors to creditors or of wrongful or oppressive conduct by directors. It is understood however that nothing herein shall be interpreted as an acknowledgment of any claim, liability or obligation on the part of the directors or officers of Cross Country, any such claim, liability or obligation being specifically denied.

ARTICLE 6 CONDITIONS AND EFFECTIVE DATE

6.1 Funding

This Proposal is intended to be funded by the funds currently held by the Trustee in the approximate amount of \$282,270.00 (two hundred eighty-two thousand, two hundred seventy dollars) and the ongoing operations of Cross Country.

6.2 Conditions Precedent to the Implementation of the Proposal

The implementation of the Proposal and distribution thereunder is subject to the satisfaction of the following conditions precedents:

- a) The Proposal is approved by the Required Majority;
- b) The Proposal Approval Order has been made and has not been stayed and there is no outstanding appeal therefrom;
- c) All other actions, documents and agreements necessary to implement the Proposal as required herein shall have been effected and executed.

With respect to the Proposal Approval Order, Cross Country shall file an application for the Proposal Approval Order no later than 5 (five) Business Days following the Creditors' Meeting or such other date as the Court may order, which application shall be heard as soon as possible according to the procedure set out in Section 58 of the BIA.

6.3 Trustee's Certificate and Effective Date

Upon the satisfaction of the conditions precedent set out in Section 6.2 hereof, the Trustee will file with the Court a certificate which states that all conditions precedent set out in Section 6.2 hereof have been satisfied and that distribution in accordance with the Proposal has been made (the "**Trustee's Certificate**"). The date of filing of the Trustee's Certificate shall be deemed to be the "**Effective Date**".

6.4 Discharge of Trustee

Upon distribution of the amounts payable hereunder and after filing of the Trustee's Certificate the Trustee shall have discharged its duties as Trustee and the Trustee shall be entitled to apply for its discharge as Trustee hereunder. For greater certainty, the Trustee will not be responsible or liable for any obligations of Cross Country before, on or after the Filing Date and will be exempt from any personal liability in fulfilling any duties or exercising any powers conferred upon it by this Proposal unless such acts have been carried out in bad faith and constitute a willful or wrongful act or default.

ARTICLE 7 BINDING EFFECT

7.1 Binding Effect

On the Effective Date, this Proposal will become effective and binding on and enure to the benefit of Cross Country and all Creditors affected by this Proposal and all other Persons named or referred to in, or subject to, this Proposal, and their respective heirs, executors, administrators and other legal representatives, successors and assigns.

ARTICLE 8 GENERAL

8.1 Capacity of the Trustee

Lazer Grant Inc. is acting in its capacity as Trustee under this Proposal and not in its personal capacity, and shall not incur any liabilities or obligations in connection with this Proposal or in respect of the business or obligations of Cross Country, whether existing as at the Filing Date or incurred subsequent thereto and no Person shall have any Claim against Lazer Grant Inc. in respect thereof.

8.2 Settlements and Preferences

With regard to section 101.1(1) of the BIA, which provides that sections 95 to 101 apply to a proposal, it is the intent of this Proposal that these sections and any similar provision of any federal or provincial statute shall apply to this Proposal.

8.3 Further Assurances

Each of the Persons named or referred to in, or subject to, this Proposal will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of this Proposal and to give effect to the transactions contemplated herein.

8.4 Governing Law

This Proposal will be governed by and construed in accordance with the laws of the Province of Manitoba and the laws of Canada applicable therein.

8.5 Notices

Unless otherwise stated, any notices or communication to be made or given hereunder shall be in writing and shall refer to this Proposal and may, subject to as hereinafter provided, be made or given by personal delivery, prepaid mail or e-mail to the respective parties as follows:

If Cross Country:

5274398 Manitoba Ltd.
418 South Railway Street
Morden, MB
R6M 2G2

Attention: Jonathan Doerksen

With a copy to:

MLT Aikins LLP
30th Floor - 360 Main Street
Winnipeg, Manitoba R3C 4G1

Attention: Bruce Taylor
E-Mail: btaylor@mltaikins.com

If to a Creditor, to the address, fax or e-mail of such Creditor specified in the Proof of Claim filed by such Creditor or if no Proof of Claim has been filed to such other address or number at which the notifying party may reasonably believe that the Unsecured Creditor may be contacted;

If to the Trustee:

Lazer Grant Inc.
300-309 McDermot Avenue
Winnipeg, Manitoba R3A 1T3

Attention: Collin Legall
E-Mail: clegall@lazergrant.ca

DATED AT WINNIPEG, this 19th day of January, 2018