

**Minutes of the First Meeting of Creditors**  
5274398 Manitoba Ltd. (operating as Cross Country Manufacturing)  
Estate #21-2281867  
Division I Proposal

Tuesday, February 6, 2018 at 2:00pm  
Lazer Grant Inc.  
300-309 McDermot Ave  
Winnipeg, Manitoba

Chairman: Eva Goldenstein (Official Receiver)

Attendance List was signed by all parties present (copy attached).

Proofs of Claim were reviewed and accepted as determined by Trustee.

The Trustee tabled the estate documents, which were available for review.

The meeting was called to Order at 2:00pm.

Chairman was satisfied that a quorum was attained and that the meeting was duly called and properly constituted.

Chairman advised those present of the agenda and purpose of the meeting.

Trustee presented a summary of his report, including a supplementary report (which is attached).  
Copies of the Trustee's full report were available for distribution.

Chairman opened the floor for any questions – none were asked.

Trustee presented the results of votes on the proposal to those in attendance (copy of Voting Summary attached).

Chairman asked for a motion in consideration of acceptance of the proposal.

**Motion: To accept Cross Country Manufacturing's proposal dated January 19, 2018**

**Moved: Trustee as Proxy for Ride Air Controls Inc.**

**Seconded: Trustee as Proxy for McNeilus Steel**

**Result: Proposal accepted.**

Chairman asked if there were any nominations for inspectors. A nomination was made in consideration of Mark Dulaney of McNeilus Steel as inspector. No other nominations were brought forward.

**Motion: To appoint Mark Dulaney of McNeilus Steel as inspector.**

**Moved: Trustee as Proxy for Ride Air Controls Inc.**

**Seconded: Trustee as Proxy for PPG Canada Inc.**

**Result: Mark Dulaney of McNeilus Steel appointed as inspector.**

Chairman enquired if there were any further questions before meeting was adjourned – none were asked.

There being no further questions or outstanding matters, Chairman requested a motion to adjourn the meeting.

**Motion: To adjourn the meeting.**

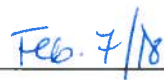
**Moved: Trustee as Proxy for Ride Air Controls Inc.**

**Seconded: Trustee as Proxy for PPG Canada Inc.**

**Result: Meeting adjourned.**

The meeting was adjourned at 2:08pm.

  
Chairman's signature

  
Date



**IN THE MATTER OF THE PROPOSAL OF  
5274398 MANITOBA LTD. O/A  
CROSS COUNTRY MANUFACTURING, (“THE DEBTOR”)  
OF THE CITY OF MORDEN  
IN THE PROVINCE OF MANITOBA**

**SUPPLEMENTARY REPORT OF TRUSTEE**

To the Creditors:

This report is supplemental to the Report of the Trustee that was previously sent to you with the Notice of Proposal and other documents on January 23<sup>rd</sup>, 2018 (the “Proposal Package”).

**1. Financial Update**

The Debtor continues to work with its secured lenders, Business Development Bank of Canada (“BDC”) and Bank of Montreal (“BMO”), to obtain accommodations on payment terms and margining during the Proposal.

The Debtor projects that, provided the Proposal is accepted, its business will be able to generate sufficient cash to make the payments called for in the Proposal while satisfying its obligations to BDC in relation to its term loans and satisfying the requirements of BMO in relation to its operating line of credit.

**2. Estimated Realization**

The Proposal calls for payment to unsecured creditors of \$1,200,000, and less costs incurred and levy, excluding payment of the Employee Claims, if any, and amounts to be paid to Canada Revenue Agency for unpaid source deductions.

The unsecured creditors can expect to receive a dividend of approximately 19 % of the amount of their proven claim, save for the Floor Creditor Claims who may receive a dividend approaching 100% (less levy) of their proven claims. These percentages are based upon certain assumptions, including that the total value of unsecured claims which will be submitted to and approved by the Trustee and which will be eligible to receive a dividend in the Proposal will be valued at approximately \$5.69 Million.

In the event the Proposal is rejected by the unsecured creditors and the Debtor deemed bankrupt, the Trustee has estimated between 0% and a 5% dividend, given that secured claims of over \$4,300,000 is owed to Business Development Bank of Canada, Bank of Montreal and Canada Revenue Agency. These percentages are based upon certain assumptions, including that the total value of unsecured claims which will be submitted to and approved in the event of a bankruptcy will be valued at approximately \$6.97 Million.

**3. Creditors’ Claims and Votes**

To approve a Proposal, unsecured creditors’ proven claims of 50% in number and 2/3 in dollar value must vote in favour of the Proposal.

Attached to this report is the voting register reflecting proven claims received by the Trustee and their corresponding votes on the Proposal which have been received to date by way of the return

of the Voting Letter enclosed with the Proposal Package. The proven unsecured claims and related votes are summarized below:

	<u>by # of votes</u>	<u>by \$ of votes</u>
FOR	64	\$ 4,124,769.00
AGAINST	0	\$0.00
ABSTAIN	6	<u>\$436,093.00</u>
TOTAL	70	\$4,560,862.00

A contingent claim of \$3,270,684.00 was also received from Bellhop Express Corp. This claim remains the subject of an ongoing lawsuit and the value of the claim has not been quantified. The claim will not be admitted for voting purposes given its unknown status.

#### 4. Recommendations

The \$1,200,000, which the Debtor is proposing to pay, is, in the Trustee's opinion, a fair and reasonable offer in all of the circumstances.

Provided that the Debtor is able to fund the Proposal over its duration, the Trustee's opinion is that unsecured creditors will ultimately realize more under the Debtor's Proposal than if it were bankrupt. We therefore recommend that the Proposal ought to be accepted by the creditors.

February 6, 2018

LAZER GRANT INC.  
Licensed Insolvency Trustee  
Per:

  
Collin LeGall, CPA, CMA, CIRP

District of Manitoba  
 Division No. 01 -  
 Court No.  
 Estate No. 21-2281867

Voting Summary

Insolvency Date: 11-Aug-2017  
 Estate Number: 21-2281867

Result of Voting

Class	Total #			Dollar Value of Claims		Percentage by Votes		Percentage by Value		Result	
	Votes	Yes	No	Yes	No	Yes	No	Yes	No	By Votes	By Value
	64	64	0	4,124,768.97	0.00	100.00	0.00	100.00	0.00	App.	App.

List of creditors

Class	Creditor Name	Type	Account #	\$ Admitted for Voting	Voted By	Vote
	Advanced Wheel Sales	U		134,446.04	Letter	For
	Air Liquide Canada	U	107842	30,085.55	Letter	For
	Automated Cutting Machinery Inc.	U		2,087.19	Letter	For
	Baker & McKenzie LLP	U	80011758	15,106.77	Letter	For
	Beech Hill Freight Brokerage Inc	U		850.00	Letter	For
	Bell and Mackenzie	U	C2918	2,000.00	Letter	For
	Big and Colourful	U		1,223.25	Letter	For
	Blenheim Chevrolet	U	CR0076	1,416.38	Letter	For
	Borderland Manufacturing	U		35,113.08	Letter	For
	Brantford Hydraulics INC.	U	CROCO	77,225.73	Letter	For
	BWG Logistics Inc.	U		2,346.00	Letter	For
	Canada Revenue Agency	U	GST	29,794.09	Letter	For
	Canadian Bearings Ltd.	U	145492	144,696.08	Letter	For
	Canadian Lumber	U	27989	964.81	Letter	For
	Cascadia Metals	U	5CROSS	18,810.04	Letter	For
	Chatham Tire	U	CROSS	55,080.32	Letter	For
	Custom Hoists Inc.	U		97,133.31	Letter	For
	DuCharm, McMillen	U		17,077.21	Letter	For
	Entegrus	U		41,659.01	Letter	For
	Fairview Fittings &	U	C11980M	47,645.77	Letter	For
	Friesen Plastic Inc.	U	CROCOU	20,971.07	Letter	For
	General Metal	U	822950900	2,000.00	Letter	For
	Golden West Trailer	U		2,000.00	Letter	For
	Grote Industries	U		18,959.23	Letter	For
	Hendrickson Canada	U		150,710.39	Letter	For
	Hendrickson Truck	U		838.40	Letter	For
	High Strength Plates & Profiles	U		19,456.66	Letter	For

**List of creditors**

<i>Class</i>	<i>Creditor Name</i>	<i>Type</i>	<i>Account #</i>	<i>\$ Admitted for Voting</i>	<i>Voted By</i>	<i>Vote</i>
	Hyva	U		18,679.85	Letter	For
	Ironworks Industries Inc.	U		305.67	Letter	For
	Jade Trailer Repairs Ltd.	U		9,027.78	Letter	For
	Johnston Bros. (Bothwell) Ltd.	U		5,158.21	Letter	For
	Jost International	U	40388	72,941.19	Letter	For
	KG Industries Ltd.	U	1770	179,019.68	Letter	For
	Manitoba Hydro	U		18,116.77	Letter	For
2nd	McNeilus Steel	U		67,674.03	Letter	For
	Michel's Industries	U		108,054.42	Letter	For
	Nuera Industrial	U	13028	41,242.39	Letter	For
	Oliver Lumber	U	44968-000	63,667.38	Letter	For
	Pembina Valley Canvas Ltd.	U		13,048.88	Letter	For
	Pembina Valley Containers	U	006260/000001	2,000.00	Letter	For
	Polaris Global Logistics	U	CROSS COUNTRY	6,325.00	Letter	For
	Power Link Inc.	U	CROSSCUS	56,029.86	Letter	For
	PPG Canada Inc.	U		405,407.89	Letter	For
	R.T. Systems Inc.	U		8,425.14	Letter	For
Motion	Ride Air Controls Inc	U	CRO001	516,923.84	Letter	For
	Rochling Engineering Plastics	U	192	914.95	Letter	For
	Russel Metals Inc.	U	2108090	216,124.42	Letter	For
	Samuel Packaging Systems Group	U		110,715.39	Letter	For
	Securi Trim	U	CROMAN	1,659.00	Letter	For
	Semi Service.	U	679-7900	547.11	Letter	For
	Southman Plastics	U		3,678.80	Letter	For
	Spectrum Coatings o/a Murlin Holdings Inc.	U	CROCOU	361,578.48	Letter	For
	Start-N-Charge	U		583.08	Letter	For
	Station Park Logistics	U		34,349.85	Letter	For
	Sunvalley Tire	U		205,720.18	Letter	For
	Think Lighting Ontario	U		22,488.68	Letter	For
	Tilbury Steel Service	U	CR012	220,063.14	Letter	For
	Tirecraft	U	527MO01	160,667.63	Letter	For
	Trans-East Trailers	U		56,722.36	Letter	For
	Transport Trailer	U		28,992.12	Letter	For
	TST Overland Express	U	0260185	4,527.22	Letter	For
	VISP	U	1761	1,058.78	Letter	For
	Wainbee	U	143395	65,517.42	Letter	For
	Winkler Co-op	U	43299	67,116.00	Letter	For