What is it?
Crossfade lets you gradually change one sound into another as two or more sounds are being mixed by simultaneously increasing the amplitude of one sound and decreasing the amplitude of the other.

How to use it
The Crossfade popup menu is a list of all the sound documents that are in Envelope mode.   Selecting a sound in the list will copy that sound's envelope and invert it.   If the sound being copied from is using the LFO, it will copy that sound's envelope and LFO and invert the LFO.

Notes
For an example on how crossfading works, try this.   Close all the windows and create two new sound documents with the New command, make sure they have one track.   Use the Oscillator to create a one second sine wave in one window and a one second square wave in the other, then save them as "Sine" and "Square".   Select "Envelope" from the Processors menu and "Mix" from the Envelope popup menu for both of them.   Drag the last envelope tag to the bottom for the "Sine" window, activate the "Square" window and select "Sine" from the Crossfade list.   Select "OK" from the Envelope popup menu to mix the sounds.   Zoom in on the sound to x1, scroll around and you can see the sound change from a sine wave to a square wave.

See "Envelope", "Mix", and "LFO" for more information.