§ 787. Winding down the affairs of a dissolved local government entity. 1. Upon the successful completion of dissolution proceedings pursuant to this title, the governing body of the dissolving local government entity shall wind down the affairs thereof, dispose of its property as provided by law, make provisions for the payment of all indebtedness thereof and for the performance of its contracts and obligations, and, if applicable and appropriate under law, levy taxes and assessments as necessary to accomplish the dissolution.

2. In furtherance of its duty to wind down the affairs of the local government entity, the governing body shall cause notice to be given, in the same manner as notice for a proposed dissolution plan pursuant to section seven hundred seventy-five of this title, requiring all claims against the dissolving local government entity, excluding any of its outstanding securities, to be filed within a time fixed in the notice, but not less than three months or more than six months, and all claims not so filed shall be forever barred. At the expiration of such time the governing body shall adjudicate claims so filed, and any resident of the entity at the time of the effective date of the dissolution may appear and defend against any claim so filed, or the governing body may in its discretion appoint some person for that purpose.