

Edgar Filing: BLACKROCK APEX MUNICIPAL FUND INC - Form N-Q

BLACKROCK APEX MUNICIPAL FUND INC  
Form N-Q  
November 25, 2008

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM N-Q

QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED  
MANAGEMENT INVESTMENT COMPANY

Investment Company Act file number 811-05227

Name of Fund: BlackRock Apex Municipal Fund, Inc. (APX)

Fund Address: 100 Bellevue Parkway, Wilmington, DE 19809

Name and address of agent for service: Donald C. Burke, Chief Executive Officer,  
BlackRock Apex Municipal Fund, Inc., 800 Scudders Mill Road, Plainsboro,  
NJ, 08536. Mailing address: P.O. Box 9011, Princeton, NJ, 08543-9011

Registrant's telephone number, including area code: (800) 882-0052, Option 4

Date of fiscal year end: 06/30/2009

Date of reporting period: 07/01/2008 - 09/30/2008

Item 1 - Schedule of Investments

BlackRock Apex Municipal Fund, Inc.

Schedule of Investments September 30, 2008 (Unaudited)

(Percentages shown are based on Net Assets)

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State	Municipal Bonds
Alabama - 0.5%	Tuscaloosa, Alabama, Special Care Facilities Financing Authority, Resident Care Facility Revenue Bonds (Capstone Village, Inc. Project), Series A, 5.8%, 8/01/36
Alaska - 1.1%	Alaska Industrial Development and Export Authority Revenue Bonds (William Lynxs Alaska Cargoport), AMT, 8%, 5/01/23
Arizona - 4.2%	Maricopa County, Arizona, IDA, Education Revenue Bonds (Arizona Charter School Project 1), Series A, 6.625%, 7/01/20 Maricopa County, Arizona, IDA, M/F Housing Revenue Bonds (Sun King Apartment Project), Series A, 5.875%, 11/01/08 Maricopa County, Arizona, IDA, M/F Housing Revenue Bonds (Sun King Apartment Project), Series A, 6%, 11/01/10 Maricopa County, Arizona, IDA, M/F Housing Revenue Bonds (Sun King Apartment Project), Series A, 6.75%, 5/01/31 Phoenix, Arizona, IDA, Airport Facility, Revenue Refunding Bonds (America



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Plaza Metropolitan District Number 1, Colorado, Tax Allocation Revenue Bonds (Public Improvement Fees), 8%, 12/01/25  
Plaza Metropolitan District Number 1, Colorado, Tax Allocation Revenue Bonds (Public Improvement Fees), 8.125%, 12/01/25

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Connecticut - 0.9%      Connecticut State Development Authority, Airport Facility Revenue Bonds (Learjet Inc. Project), AMT, 7.95%, 4/01/26  
Connecticut State, HFA, Housing Mortgage Finance Program Revenue Bonds, A Sub-Series A-2, 5.15%, 5/15/38  
Mashantucket Western Pequot Tribe, Connecticut, Revenue Refunding Bonds, Sub-Series A, 5.50%, 9/01/36

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Florida - 12.1%      Capital Projects Finance Authority, Florida, Continuing Care Retirement Revenue Bonds (Glenridge on Palmer Ranch), Series A, 8%, 6/01/12 (b)  
Capital Region Community Development District, Florida, Special Assessment Revenue Bonds, Series A, 7%, 5/01/39  
Halifax Hospital Medical Center, Florida, Hospital Revenue Refunding Bonds Series A, 5%, 6/01/38  
Highlands County, Florida, Health Facilities Authority, Hospital Revenue Bonds (Adventist Health System), Series C, 5.25%, 11/15/36  
Hillsborough County, Florida, IDA, Exempt Facilities Revenue Bonds (National Gypsum Company), AMT, Series A, 7.125%, 4/01/30  
Jacksonville, Florida, Economic Development Commission, Health Care Facilities Revenue Refunding Bonds (Florida Proton Therapy Institute), Series A, 6%, 9/01/17  
Jacksonville, Florida, Economic Development Commission, IDR (Gerdau Americas, Inc.), AMT, 5.30%, 5/01/37  
Lakewood Ranch, Florida, Community Development District Number 5, Special Assessment Revenue Refunding Bonds, Series A, 6.70%, 5/01/11 (b)  
Lee County, Florida, IDA, IDR (Lee Charter Foundation), Series A, 5.375%, 6/15/37  
Midtown Miami, Florida, Community Development District, Special Assessment Revenue Bonds, Series A, 6%, 5/01/24  
Midtown Miami, Florida, Community Development District, Special Assessment Revenue Bonds, Series A, 6.25%, 5/01/37  
Orlando, Florida, Urban Community Development District, Capital Improvement Special Assessment Bonds, Series A, 6.95%, 5/01/11 (b)  
Santa Rosa Bay Bridge Authority, Florida, Revenue Bonds, 6.25%, 7/01/28  
Sarasota County, Florida, Health Facilities Authority, Retirement Facilities Revenue Refunding Bonds (Village on the Isle Project), 5.50%, 1/01/27  
Sarasota County, Florida, Health Facilities Authority, Retirement Facilities Revenue Refunding Bonds (Village on the Isle Project), 5.50%, 1/01/32  
Sumter Landing Community Development District, Florida, Recreational Revenue Bonds, Sub-Series B, 5.70%, 10/01/38

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BlackRock Apex Municipal Fund, Inc.

Schedule of Investments September 30, 2008 (Unaudited)

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State

Municipal Bonds

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Tampa Palms, Florida, Open Space and Transportation Community Development District Revenue Bonds, Capital Improvement (Richmond Place Project), 7.50%, 5/01/18  
 Tolomato Community Development District, Florida, Special Assessment Bonds, 6.65%, 5/01/40

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Georgia - 3.4%  
 Atlanta, Georgia, Tax Allocation Bonds (Atlantic Station Project), 7.90%, 12/01/11 (b)  
 Atlanta, Georgia, Tax Allocation Bonds (Princeton Lakes Project), 5.50%, Clayton County, Georgia, Tax Allocation Bonds (Ellenwood Project), 7.50%, 7/01/33  
 Main Street Natural Gas, Inc., Georgia, Gas Project Revenue Bonds, Series A, 6.375%, 7/15/38 (c) (d)  
 Rockdale County, Georgia, Development Authority Revenue Bonds (Visy Paper Project), AMT, Series A, 6.125%, 1/01/34

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Idaho - 0.9%  
 Idaho Health Facilities Authority, Revenue Refunding Bonds (Valley Vista Corporation), Series A, 7.75%, 11/15/16

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Illinois - 4.7%  
 Chicago, Illinois, O'Hare International Airport, Special Facility Revenue Refunding Bonds (American Airlines Inc. Project), 5.50%, 12/01/30  
 Illinois State Finance Authority Revenue Bonds (Clare At Water Tower Project), Series A, 6.125%, 5/15/38  
 Illinois State Finance Authority Revenue Bonds (Landing At Plymouth Place Project), Series A, 6%, 5/15/37  
 Illinois State Finance Authority Revenue Bonds (Monarch Landing, Inc. Project), Series A, 7%, 12/01/37  
 Illinois State Finance Authority Revenue Bonds (Primary Health Care Center Program), 6.60%, 7/01/24  
 Lincolnshire, Illinois, Special Service Area Number 1, Special Tax Bonds (Sedgebrook Project), 6.25%, 3/01/34  
 Lombard, Illinois, Public Facilities Corporation, First Tier Revenue Bonds (Conference Center and Hotel), Series A-1, 7.125%, 1/01/36  
 Village of Wheeling, Illinois, Revenue Bonds (North Milwaukee/Lake-Cook TIF Increment Financing (TIF) Redevelopment Project), 6%, 1/01/25

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Indiana - 1.8%  
 Indiana Health and Educational Facilities Financing Authority, Hospital Revenue Bonds (Community Foundation of Northwest Indiana), 5.50%, 3/01/37  
 Vanderburgh County, Indiana, Redevelopment Commission, Redevelopment District Tax Allocation Bonds, 5.25%, 2/01/31  
 Vigo County, Indiana, Hospital Authority Revenue Bonds (Union Hospital, I), 5.70%, 9/01/37  
 Vigo County, Indiana, Hospital Authority Revenue Bonds (Union Hospital, I), 5.75%, 9/01/42

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BlackRock Apex Municipal Fund, Inc.

Schedule of Investments September 30, 2008 (Unaudited)

(Percentages shown are based on Net Assets)

State	Municipal Bonds
Iowa - 1.8%	Iowa Finance Authority, Health Care Facilities, Revenue Refunding Bonds (Initiatives Project), 9.25%, 7/01/11 (b)
Kansas - 0.4%	Wyandotte County, Kansas, Kansas City Unified Government Revenue Refunding Bonds (General Motors Corporation Project), 6%, 6/01/25
Louisiana - 2.6%	Louisiana Local Government Environmental Facilities and Community Development Authority Revenue Bonds (Westlake Chemical Corporation), 6.75%, 11/01/32 Louisiana Public Facilities Authority, Hospital Revenue Bonds (Franciscan Missionaries of Our Lady Health System, Inc.), Series A, 5.25%, 8/15/36 Saint John Baptist Parish, Louisiana, Revenue Bonds (Marathon Oil Corporation Series A, 5.125%, 6/01/37
Maryland - 1.2%	Baltimore, Maryland, Convention Center Hotel Revenue Bonds, Sub-Series B, 5.875%, 9/01/39 Maryland State Energy Financing Administration, Limited Obligation Revenue Bonds (Cogeneration-AES Warrior Run), AMT, 7.40%, 9/01/19 Maryland State Health and Higher Educational Facilities Authority Revenue Bonds (Washington Christian Academy), 5.50%, 7/01/38
Massachusetts - 3.2%	Massachusetts State Development Finance Agency, First Mortgage Revenue Bonds (Overlook Communities Inc.), Series A, 6.25%, 7/01/34 Massachusetts State Development Finance Agency, Revenue Refunding Bonds (Eastern Nazarene College), 5.625%, 4/01/19 Massachusetts State Health and Educational Facilities Authority Revenue Bonds (Jordan Hospital), Series E, 6.75%, 10/01/33 Massachusetts State Health and Educational Facilities Authority, Revenue Refunding Bonds (Bay Cove Human Services Issue), Series A, 5.90%, 4/01/28 Massachusetts State Health and Educational Facilities Authority, Revenue Refunding Bonds (Milton Hospital), Series, 5.50%, 7/01/16 Massachusetts State Industrial Finance Agency Revenue Bonds, Sewer Facilities (Resource Control Composting), AMT, 9.25%, 6/01/10
Michigan - 1.6%	Advanced Technology Academy, Michigan, Revenue Bonds, 6%, 11/01/37 Macomb County, Michigan, Hospital Finance Authority, Hospital Revenue Bonds (Mount Clemens General Hospital), Series B, 5.875%, 11/15/13 (b) Monroe County, Michigan, Hospital Financing Authority, Hospital Revenue Refunding Bonds (Mercy Memorial Hospital Corporation), 5.50%, 6/01/35



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Facility Pooled Program), Series C-1, 6.50%, 7/01/24  
 New York City, New York, City IDA, Special Facility Revenue Bonds (British Airways Plc Project), AMT, 7.625%, 12/01/32  
 New York Liberty Development Corporation Revenue Bonds (National Sports M Project), Series A, 6.125%, 2/15/19 (c) (d)  
 New York State Dormitory Authority, Non-State Supported Debt, Revenue Refunding Bonds (New York University Hospital Center), Series A, 5%, 7/01

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 North Carolina - 1.7% North Carolina Medical Care Commission, Health Care Facilities, First Mon Revenue Refunding Bonds (Deerfield Episcopal Project), Series A, 6.125%, 11/01/38  
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Ohio - 1.3% Buckeye Tobacco Settlement Financing Authority, Ohio, Tobacco Settlement Asset-Backed Bonds, Series A-2, 6.50%, 6/01/47  
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BlackRock Apex Municipal Fund, Inc.

Schedule of Investments September 30, 2008 (Unaudited)

(Percentages shown are based on Net Assets)

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 State Municipal Bonds  
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 Pennsylvania - 7.9% Bucks County, Pennsylvania, IDA, Retirement Community Revenue Bonds (Ann' Choice Inc.), Series A, 6.125%, 1/01/25  
 Chester County, Pennsylvania, Health and Education Facilities Authority, Senior Living Revenue Refunding Bonds (Jenners Pond Inc. Project), 7.625% 7/01/12 (b)  
 Harrisburg, Pennsylvania, Authority, University Revenue Bonds (Harrisburg University of Science), Series B, 6%, 9/01/36  
 Lancaster County, Pennsylvania, Hospital Authority Revenue Bonds (Brethre Village Project), Series A, 6.25%, 7/01/26  
 Lancaster County, Pennsylvania, Hospital Authority Revenue Bonds (Brethre Village Project), Series A, 6.50%, 7/01/40  
 Montgomery County, Pennsylvania, IDA, Revenue Bonds (Whitemarsh Continuin Care Project), 6.25%, 2/01/35  
 Pennsylvania Economic Development Financing Authority, Exempt Facilities Revenue Bonds (Reliant Energy), AMT, Series B, 6.75%, 12/01/36  
 Philadelphia, Pennsylvania, Authority for IDR (Air Cargo), AMT, Series A, 7.50%, 1/01/25  
 Philadelphia, Pennsylvania, Authority for IDR, Commercial Development, 7. 12/01/17  
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Rhode Island - 1.0% Central Falls, Rhode Island, Detention Facility Corporation, Revenue Refu Bonds, 7.25%, 7/15/35  
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South Carolina - 3.7% Connector 2000 Association, Inc., South Carolina, Toll Road and Capital

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Appreciation Revenue Bonds, Senior-Series B, 6.50%, 1/01/09 (e)  
 Connector 2000 Association, Inc., South Carolina, Toll Road and Capital  
 Appreciation Revenue Bonds, Senior-Series B, 7.969%, 1/01/14 (e)  
 South Carolina Housing Finance and Development Authority, Mortgage Revenue  
 Refunding Bonds, AMT, Series A-2, 5.15%, 7/01/37 (a)

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Tennessee - 1.5%      Knox County, Tennessee, Health, Educational and Housing Facilities Board,  
 Hospital Facilities Revenue Refunding Bonds (Covenant Health), Series A,  
 5.03%, 1/01/37 (e)  
 Shelby County, Tennessee, Health, Educational and Housing Facilities Board,  
 Revenue Bonds (Germantown Village), 6.25%, 12/01/34  
 Shelby County, Tennessee, Health, Educational and Housing Facilities Board,  
 Revenue Bonds (Germantown Village), Series A, 7.25%, 12/01/34

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Texas - 5.0%      Brazos River Authority, Texas, PCR, Refunding (TXU Energy Company LLC  
 Project), AMT, Series A, 7.70%, 4/01/33  
 Danbury, Texas, Higher Education Authority Revenue Bonds (A.W.  
 Brown-Fellowship Charter School), Series A, 5.125%, 8/15/36  
 Houston, Texas, Health Facilities Development Corporation, Retirement  
 Facility Revenue Bonds (Buckingham Senior Living Community), Series A,  
 7.125%, 2/15/14 (b)

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BlackRock Apex Municipal Fund, Inc.

Schedule of Investments September 30, 2008 (Unaudited)

(Percentages shown are based on Net Assets)

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State

Municipal Bonds

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North Texas Tollway Authority, System Revenue Refunding Bonds, Second Tie  
 Series F, 6.125%, 1/01/31  
 Texas State Public Financing Authority, Charter School Financing Corporation  
 Revenue Refunding Bonds (KIPP, Inc.), Series A, 5%, 2/15/28 (f)

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Utah - 1.3%      Carbon County, Utah, Solid Waste Disposal, Revenue Refunding Bonds (Laidlaw  
 Environmental), AMT, Series A, 7.45%, 7/01/17

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Virginia - 1.8%      Dulles Town Center, Virginia, Community Development Authority, Special  
 Assessment Tax (Dulles Town Center Project), 6.25%, 3/01/26  
 Tobacco Settlement Financing Corporation of Virginia, Revenue Refunding Bonds  
 Senior Series B-1, 5%, 6/01/47

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Washington - 0.6%      Washington State Housing Financing Commission, Nonprofit Revenue Bonds

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	(Skyline at First Hill Project), Series A, 5.625%, 1/01/38
West Virginia - 0.6%	Princeton, West Virginia, Hospital Revenue Refunding Bonds (Community Hospital Association Inc. Project), 6.20%, 5/01/13
Wisconsin - 0.7%	Wisconsin State Health and Educational Facilities Authority Revenue Bonds (Castle Place Project), Series A, 7%, 12/01/31
Wyoming - 1.1%	Wyoming Municipal Power Agency, Power Supply Revenue Bonds, Series A, 5.31%, 1/01/42
U.S. Virgin Islands - 1.2%	Virgin Islands Government Refinery Facilities, Revenue Refunding Bonds (Hovensa Coker Project), AMT, 6.50%, 7/01/21
	Total Municipal Bonds - 94.0%
	Municipal Bonds Transferred to Tender Option Bond Trusts (g)
Florida - 3.1%	Miami-Dade County, Florida, Aviation Revenue Refunding Bonds (Miami International Airport), AMT, Series A, 5.25%, 10/01/33 (h)
Virginia - 3.4%	Virginia State, HDA, Commonwealth Mortgage Revenue Bonds, Series H, Sub-Series H-1, 5.375%, 7/01/36 (i)
	Total Municipal Bonds Transferred to Tender Option Bond Trusts - 6.5%
	Total Long-Term Investments (Cost - \$188,409,569) - 100.5%
	Short-Term Securities
	Merrill Lynch Institutional Tax-Exempt Fund, 5.29% (j)(k)
	Total Short-Term Securities (Cost - \$2,900,000) - 1.7%
	Total Investments (Cost - \$191,309,569*) - 102.2%
	Other Assets Less Liabilities - 1.4%
	Liability for Trust Certificates, Including Interest Expense and Fees Payable - (3.6)%
	Net Assets - 100.0%

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BlackRock Apex Municipal Fund, Inc.

Schedule of Investments September 30, 2008 (Unaudited)

\* The cost and unrealized appreciation (depreciation) of investments as of September 30, 2008, as computed for federal income tax purposes, were as follows:

Aggregate cost	\$ 185,232,104
	=====

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Gross unrealized appreciation	\$ 3,042,972
Gross unrealized depreciation	(20,849,815)
	-----
Net unrealized depreciation	\$ (17,806,843)
	=====

- (a) AMBAC Insured.
- (b) U.S. government securities, held in escrow, are used to pay interest on this security, as well as to retire the bond in full at the date indicated, typically at a premium to par.
- (c) Non-income producing security.
- (d) Issuer filed for bankruptcy or is in default of interest payments.
- (e) Represents a zero coupon bond. Rate shown reflects the effective yield at the time of purchase.
- (f) ACA Insured.
- (g) Securities represent underlying bonds transferred to a separate securitization trust established in a tender option bond transaction in which the Fund may have acquired the residual interest certificates. These securities serve as collateral in a financing transaction.
- (h) Assured Guaranty Insured.
- (i) MBIA Insured.
- (j) Investments in companies considered to be an affiliate of the Fund, for purposes of Section 2(a)(3) of the Investment Company Act of 1940, were as follows:

Affiliate	Net Activity	Income
Merrill Lynch Institutional Tax-Exempt Fund	(1,605,074)	\$ 14,085

- (k) Represents the current yield as of report date.

BlackRock Apex Municipal Fund, Inc.

Schedule of Investments September 30, 2008 (Unaudited)

- o Effective July 1, 2008, the Fund adopted Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157, "Fair Value Measurements" ("FAS 157"). FAS 157 clarifies the definition of fair value, establishes a framework for measuring fair values and requires additional disclosures about the use of fair value measurements. Various inputs are used in determining the fair value of investments, which are as follows:
  - o Level 1 - price quotations in active markets/exchanges for identical securities

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- o Level 2 - other observable inputs (including, but not limited to: quoted prices for similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, prepayment speeds, loss severities, credit risks, and default rates) or other market-corroborated inputs)
- o Level 3 - unobservable inputs based on the best information available in the circumstance, to the extent observable inputs are not available (including the Fund's own assumption used in determining the fair value of investments)

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. For information about the Fund's policy regarding valuation of investments and other significant accounting policies, please refer to the Fund's most recent financial statements as contained in its annual report.

The following table summarizes the inputs used as of September 30, 2008 in determining the fair valuation of the Fund's investments:

Valuation Inputs	Investments in Securities
Level 1	\$ 2,900,000
Level 2	170,595,261
Level 3	--
TOTAL	\$ 173,495,261 =====

Item 2 - Controls and Procedures

- 2(a) - The registrant's principal executive and principal financial officers or persons performing similar functions have concluded that the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940, as amended (the "1940 Act")) are effective as of a date within 90 days of the filing of this report based on the evaluation of these controls and procedures required by Rule 30a-3(b) under the 1940 Act and Rule 13a-15(b) under the Securities Exchange Act of 1934, as amended.
- 2(b) - There were no changes in the registrant's internal control over financial reporting (as defined in Rule 30a-3(d) under the 1940 Act) that occurred during the registrant's last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

Item 3 - Exhibits

Certifications - Attached hereto

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

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BlackRock Apex Municipal Fund, Inc.

By: /s/ Donald C. Burke  
-----  
Donald C. Burke  
Chief Executive Officer of  
BlackRock Apex Municipal Fund, Inc.

Date: November 24, 2008

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ Donald C. Burke  
-----  
Donald C. Burke  
Chief Executive Officer (principal executive officer) of  
BlackRock Apex Municipal Fund, Inc.

Date: November 24, 2008

By: /s/ Neal J. Andrews  
-----  
Neal J. Andrews  
Chief Financial Officer (principal financial officer) of  
BlackRock Apex Municipal Fund, Inc.

Date: November 24, 2008