Example 1 Why Axioms III and IV are needed! big time!
Let $\Pi$ be $\Re \times \Re$, the usual real plane. Let lines be the usual notion of lines. But for every line $\ell$ define:
$\Psi_{\ell}^{1}$ is the points in the plane that are not on $\ell$ and have both coordinates rational.
$\Psi_{\ell}^{2}$ is the points in the plane that are not on $\ell$ and have at least one irrational coordinate.

Now Axiom II holds but the two half planes, while disjoint, are all mixed together.

Since the publishers omitted the proof of 7.46 , I am posting it.
Theorem 2 (7.46) If $C \in{ }^{\circ} \overline{A B}^{o}$ then $\overrightarrow{C B} \subseteq \overrightarrow{A B}$.
Proof. We show $X \notin \overrightarrow{A B}$ implies $X \notin \overrightarrow{C B}$ and apply contraposition. Without loss of generality we may assume $X$ is on the line $A B$.

By 7.36, $C \in{ }^{o} \overline{A B}^{o}$ implies $\overrightarrow{A C}=\overrightarrow{A B}$. Substituting, $X \notin \overrightarrow{A B}$ implies $X \notin \overrightarrow{A C} . \quad X \notin \overrightarrow{A C}$ means $X \notin \Psi_{m}^{C}$ for any $m$ with $m \cdot A B=A$. Thus $X-A-C$. So by Axiom IV, $A \in{ }^{\circ} \overline{X C}^{o}$ and again by $7.36, \overrightarrow{C X}=\overrightarrow{C A}$.

On the other hand, $C \in{ }^{\circ} \overline{A B}^{o}$ implies by Axiom IV that $A-C-B$. That is,

$$
\overrightarrow{C A} \cap \overrightarrow{C B}=\{C\} .
$$

Since we just showed, $\overrightarrow{C X}=\overrightarrow{C A}$, substituting we have

$$
\overrightarrow{C X} \cap \overrightarrow{C B}=\{C\}
$$

So $X-C-B$ and we finish.

