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Yu Darvish has been signed with the Rangers. Here's the breakdown

With 5 minutes left before the deadline to get him signed, agent Arn Tellem and the Texas Rangers agreed on a six-year, $56 million deal that sees $49 million of it guaranteed and the 2017 salary of $11 million a player option based on certain awards. According to Cot's Contracts, that player option kicks in if 1) Darvish wins the Cy Young in 2012-16 or 2) 2nd in voting once in another season for 2012-16 and finishes 2nd-4th in two other seasons 2012-16.

To add, he gets a roster bonus of $800,000 annually if he stays off the DL. If he's on the DL more than 30 days, the $800K is reduced by $5,228.75 per day starting on Day 31.

He gets some standard boilerplate award provisions, as well. Darvish gets $50,000 each for AL ROY, All-Star. $100,000 for Gold Glove, LCS MVP. $150,000 for World Series MVP, $250,000 ea for AL MVP or Cy Young ($200,000 if 2nd if either voting category, $150,000 for 3rd, $100,000 for 4th, $50,000 for 5th)

Here's the salary break down

- 2012 - $5.5M
- 2013 - $9.5M
- 2014 - $10M
- 2015 - $10M
- 2016 - $10M
- 2017 - $11M (player option based on Cy Young voting)

Confused? There's more.

There's the posting fee.

By tomorrow, the Rangers will have had to have made the $51,703,411 posting fee payment to the Nippon Fighting Hams, a new record high. It's how that money moves around on the books that is interesting.

The posting fee money does not count toward player payroll, which is key as the Rangers had a player payroll at the end of the 2011 season in excess of $106 million. Because the posting fee money does not count as player payroll, it's not counted against the CBT (or, as it's more commonly known, the Luxury Tax).

Evan Grant of the *Dallas Morning News* reported that the fee will be amortized over 6 years, which brings the $52 million fee down over time.

From an ownership perspective, Darvish is both an asset and a liability. The difference is in how the money is placed in the ledger.

If the posting fee were connected to the contract and that amortized payment moved out over the 6-years with the guaranteed money, he would be more difficult to move if the Rangers saw fit. That $10 million a year at the end of the contract looks more far forgiving that $16 or $17 million.

As one sports exec said of the posting fee being attached to the contract or not is “fungible” from an ownership perspective.

On paper, Darvish comes off eye-popping at possibly $111 million. The 2017 player option year allows for Darvish to opt out if he hits all the marks. The posting fee is also a massive write-off, which lowers its true cost further.

It’s enough to make your head swim, especially when you consider this: Yu Darvish’s current Major League Service Time is 0.000.

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